



CHAIRMAN & MANAGING DIRECTOR	:	MR. MUKESH D. NAIK
DIRECTORS	:	MR. MAHESH H. DOSHI
	:	MR. MUKESH R. DESAI
	:	MR. UDAY M. DESAI
	:	MR. DILIP K. PIMPLE
	:	MR. PRAMESHKUMAR B. MEHTA
AUDITORS	:	M/S AMPAC & ASSOCIATES Chartered Accountants Mumbai.
BANKERS	:	THE SARASWAT CO-OP BANK LTD.
REGISTERED OFFICE	:	7-A , Vakil Villa, H.F. Society Road End, Jogeshwari (East), Mumbai – 400 060.
WORKS	:	N-92, M.I.D.C. Tarapur, Boisar, Dist. Thane, Maharashtra.
REGISTRAR & SHARE TRANSFER AGENT	:	SHAREX DYNAMIC (INDIA) PVT. LIMITED Unit 1, Luthra Indl. Premises, Safed Pool, Andheri-Kurla Road, Andheri (E) Mumbai 400 072.



## NOTICE

**NOTICE** is hereby given that the **TWENTY SECOND** Annual General Meeting of the Members of **NUTRAPLUS INDIA LIMITED** will be held at its Registered Office at 7-A, Vakil Villa, H.F. Society Road End, Jogeshwari (East), Mumbai 400 060, on Saturday, 29<sup>th</sup> September, 2012 at 11.00 a.m. to transact the following business.

### **ORDINARY BUSINESS :**

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at March 31, 2012 and Profit and Loss Account for the year ended on that date and Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Mukesh R. Desai, who retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mr. Dilip Pimple, who retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment.
4. To appoint Auditors M/s. AMPAC & Associates, Chartered Accountants (Firm Regn. No. 112236w) as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting up to the conclusion of next Annual General Meeting and to authorize the Board of Directors to fix their remuneration.

**On Behalf of the Board of Directors**

**MUKESH D. NAIK**  
**Chairman & Managing Director**

**Place : Mumbai**

**Dated: 30<sup>th</sup> May 2012**

### **Registered office**

7-A Vakil Villa,  
H.F. Society Road End,  
Jogeshwari (East)  
Mumbai 400 060.



**NOTES**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL, TO VOTE INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER.
2. Proxies, in order to be effective, must be received at the Company's Registered Office not later than 48 (forty-eight) hours before the time fixed for holding the meeting.
3. The Register of Members and Share Transfer Books will remain closed from Friday 21<sup>st</sup> September 2012 to Saturday 29<sup>th</sup> September 2012 (Both days inclusive)
4. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their queries so as to reach the Registered Office of the Company at least seven days before the date of the meeting, to enable the Company to make available the required information at the meeting, to the extent possible.
5. Members are requested to notify immediately any change in their address to their respective Depository Participant (DP) in respect of their electronic share accounts and to the Company's Registrar & Transfer Agent at Sharex Dynamic (India) Private Limited Unit 1, Luthra Indl. Premises, Safed Pool, Andheri-Kurla Road, Andheri (East), Mumbai 400 072 in respect of their physical share folios.
6. Members are requested to bring their copy of Annual Report to the Meeting.
7. Members are requested to bring the Attendance Slip sent herewith duly filled for attending the Meeting.
8. The Company's shares are traded in electronic form. The investors are requested to hold their securities in electronic form.
9. The relevant details as required by Clause 49 of the Listing Agreement entered into with the Stock Exchange, of persons, seeking re-appointment as Directors under Item No.2 & 3 above, are annexed.

**BRIEF RESUME OF THE PERSONS PROPOSED TO BE RE-APPOINTED AS THE DIRECTORS OF THE COMPANY AT THE ANNUAL GENERAL MEETING :**

Particulars	Mr. Mukesh R. Desai	Mr. Dilip K. Pimple
Age	51	46
Date of Appointment	15/03/1996	28/07/2006
Qualifications	B.Com	Chemical Engineer
Nature of Expertise & Experience	Marketing	Technical
Name of the other Companies in which also holds Directorship	--	Vet Pharma Nitro Products Ltd.
Name of other Companies in Committees of which holds membership/chairmanship	--	--
Shareholding of Non-Executive Directors in Nutraplus India Ltd.	Nil	Nil



## DIRECTORS' REPORT

### TO THE MEMBERS,

Your Directors are pleased to present the 22<sup>nd</sup> Annual Report of the Company together with the Audited Financial Statements for the year ended March 31, 2012.

### FINANCIAL HIGHLIGHTS:

(Amount in Rupees)

Particulars	Year Ended 31st March, 2012	Year Ended 31st March, 2011
Sales and other Income	44,88,30,700	36,23,72,382
Profit before Interest, Depreciation Tax & Extra Ordinary items	6,45,15,489	5,08,03,676
Less: Interest and Finance Charges	1,55,21,587	1,20,64,749
Depreciation	63,03,861	56,39,782
<b>Profit before Tax &amp; Extra ordinary items</b>	<b>4,26,90,041</b>	3,30,99,145
Less: Provision for Tax (including Deferred Tax)	1,29,71,620	10,06,42,683
Less: Extra ordinary items	--	20,55,458
<b>Net Profit After Tax</b>	<b>2,97,18,421</b>	2,04,01,004
<b>Balance brought forward</b>	<b>4,64,15,234</b>	2,60,14,230
<b>Balance carried to Balance Sheet</b>	<b>7,61,33,655</b>	4,64,15,234

### OPERATIONS:

During the year under review, your Company earned a total Income of Rs. 44.88 Crores comprising mainly of Sale of Shares, Interest & Dividend and long term share investments profit. Against this, the total expenses amounted to Rs. 40.61 Crores. As a result of this the Company has earned Net Profit of Rs. 4.27 Crores as against the profit of Rs. 3.31 Crores for the previous year.

### FUTURE OUTLOOK:

The Company is shifting towards manufacturing of Human API's. The Company is presently manufacturing intermediates and chemicals and is focusing in developing new API's. The Company has carried out laboratory trials of various API's and will be launching new API's in next year.

### DIVIDEND:

With a view to conserve the resources for the future operations, your Directors have thought it prudent not to declare dividend for the year ended 31<sup>st</sup> March, 2012.



**DIRECTORS:**

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Mukesh R. Desai and Mr. Dilip K. Pimple, Directors are liable to retire by rotation and being eligible, offer themselves for re-appointment at the ensuing Annual General Meeting. A brief profile of the Directors proposed to be re-appointed is annexed to the Notice of the ensuing Annual General Meeting.

**DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to the requirements of Section 217(2AA) of the Companies Act, 1956, your Directors confirm the following:

- that in the preparation of the Annual Accounts for the financial year ended 31<sup>st</sup> March, 2012 the applicable Accounting Standards have been followed;
- that the Directors have selected such Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2012 and of the profit of the Company for that year;
- that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- that the Annual Accounts for the financial year ended March 31, 2012 have been prepared on a going concern basis.

**CHANGE OF NAME OF THE COMPANY:**

During the Financial Year 2011-12, the name of the Company was changed from "Nutraplus Products (India) Limited" to "Nutraplus India Limited."

**ISSUE OF EQUITY SHARES AGAINST SHARE WARRANTS**

The Company, during the financial year 2011-12, made an allotment of 4,50,000 fully paid up Equity Shares to the holders of Share Warrants on exercise of the balance entitlements by the said holders.

**AUDITORS:**

M/s. AMPAC & Associates, Chartered Accountants, the Statutory Auditors of the Company retire at the ensuing Annual General Meeting and have expressed their willingness to be re-appointed as Statutory Auditors of the Company for Financial Year 2012-2013.



### **AUDITORS' REPORT:**

Your Directors would like to state as under for the observations made by the Auditors in their Report viz.

- During the year under consideration the Company has provided Gratuities which is not in consistent with the Accounting Standard 15:

The Company has been following the method of accounting of Gratuity on cash basis. The provisions made for the Gratuity in the Books of Accounts is based on the policy of the Company framed for the calculation of Gratuity. The Company is in the process of calculation as per the actuary valuation.

- Non Disclosure of status of creditors and non provision of interest under the Micro, Small and Medium Enterprises Development Act, 1956.

The Company has advised all its creditors to inform about their status that whether they are Micro, Small and Medium Enterprises under the Micro, Small and Medium Enterprises Development Act, 1956 or not. However the Company has not received any response from the creditors for the said status.

- Register of Fixed Assets is not updated.

The Company is in the process of updating all its records related to fixed assets.

- Internal Control System for reconciliation of balance need to be strengthened commensurate with the size of the Company.

Necessary process has been drawn up and implemented as per the advice of the Auditors.

- The Company has no formal Internal Audit System.

The Company has in house Internal Audit System and the said system is reviewed by the management periodically. No instances of irregularities have been noticed in preparation of accounts or any fraud or misappropriation of funds.

- Short Funds were used for long term purposes.

The Company has been continuously carrying out research and adapting new technologies as may be available for the process. Hence considering the requirement for the short gap arrangement short term funds were used for long term purposes. The Company had raised long term funds to meet with its long term requirements.

### **COST AUDITORS**

In pursuance of Section 233B of the Companies Act, 1956 the Central Government has ordered Cost Audit for bulk drugs and intermediaries. Accordingly Mr. Gaurang Dalal, Cost Accountant was appointed as a Cost Auditor to render reports to the Central Government.

### **SUBSIDIARY:**

A statement relating to wholly owned subsidiary Company viz. Dynamic Metal Powders Limited as per the provision of Section 212 of the Companies Act, 1956 is annexed.



## **CONSOLIDATED FINANCIAL STATEMENTS**

Consolidated Financial Statements incorporating the operations of the Company and its Subsidiary is appended. The Ministry of Corporate Affairs, has given a general exemption to Companies from publishing the Annual Report of its Subsidiary Companies wherever a Consolidated Statement has been appended, in view of this, the Annual Report of the Subsidiary Company i.e. Dynamic Metal Powder Private Limited has not been annexed. However the Accounts of the Subsidiary Company and the related information will be made available to the Members of the Company and its Subsidiary Company on request and will also be kept for inspection in the Registered Office.

A Statement under Section 212(8) of the Companies Act, 1956 is attached after Audited Financial Statement of the Company and forms part of this Annual Report.

### **PUBLIC DEPOSITS:**

Your Company has not accepted any deposits from the public during the year under review.

### **CORPORATE GOVERNANCE:**

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, a separate section titled "Corporate Governance" is attached to this Annual Report along with a certificate from M/s AMPAC & Associates, Chartered Accountants with respect to compliance of requirements of the Listing Agreement.

### **PARTICULARS AS PER SECTION 217(2A) OF COMPANIES ACT, 1956:**

During the year under review, none of the employees of the Company, whether employed for the whole year or part thereof, was in receipt of remuneration aggregating to or in excess of the limits specified under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended, and hence, no particulars are required to be furnished in connection with the same.

### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:**

Information relating to the Conservation of Energy, Technology Absorption, Adoption & Innovation and Foreign Exchange Earnings and Outgo required under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are annexed hereto and forms part of this report.



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**ACKNOWLEDGEMENTS:**

The Board would like to express their gratitude for the continued support which the Company has received from its Shareholders, Customers, Suppliers, Bankers, Statutory Authorities and all other business associates.

The Board wishes to place on record their sincere appreciation to all the Company's employees for their collective contribution to the Company's improved performance.

**For and on behalf of the Board**

Place: Mumbai

Dated: 30<sup>th</sup> May, 2012

**Mukesh D. Naik**  
**Chairman & Managing Director**



**ANNEXURE TO THE DIRECTORS' REPORT****STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANIES**

<b>Sr. No.</b>	<b>PARTICULARS</b>	<b>DYNAMIC METAL POWDERS PVT. LTD.</b>
1.	Information Furnished for the Financial Year Ended	March 31, 2012
2.	Date from which it becomes Subsidiary	November, 2011
3.	Shares of the subsidiary held by the holding company i.e. Dynamic Metal Powders Private Limited and its subsidiaries (HCDL) on March 31, 2012 a) Number of Shares held b) Fully paid Shares Each of the face value of Rs c) Extent of Effective Holding	10000 Equity Shares Rs. 100/- 100%
4.	Net Aggregate amount of the subsidiary's Profit / (Loss) not dealt with in Nutraplus India Limited A/c a) For the Financial Year of the Subsidiary aforesaid b) For the Previous financial years of the subsidiary since it becomes Subsidiary	(35,604) 147012
5.	Net Aggregate amount of the subsidiary's Profit / (Loss) dealt with in Nutraplus India Limited A/c a) For the Financial Year of the Subsidiary aforesaid b) For the Previous financial years of the subsidiary since it becomes Subsidiary	Nil Nil
6.	Changes in the interest of Nutraplus India Limited in the subsidiary company between the end of the Financial Year of the subsidiary Company and March 31, 2012	None
7.	Material Changes between end of the Financial Year of the subsidiary Company and March 31, 2012 a) Fixed Asset b) Investment c) Monies Lent By Subsidiary Co d) Monies Borrowed by Subsidiary for any purpose other than that of meeting Current Liability	Nil Nil Nil Nil



Information under Section 217(1)(e) of the Companies Act, 1956, read with Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988, and forming part of the Directors Report)

## FORM - A

## FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

Particulars	Financial Year 2011-2012	Financial Year 2010-2011
<b>(A) POWER AND FUEL CONSUMPTION</b>		
1. Electricity		
a. <b>Purchased</b>		
Units	679,820	474,564
Total Amount (Rs. In lacs)	4,519,541	3,163,780
Rate/ Unit      Rs.	6.65	6.67
b. <b>Own Generation</b>		
I) Through Diesel Generator ltr.	33955	45600
II) Through Steam Turbine	N.A.	N.A.
2. <b>L.D.O. and Furnace Oil</b>		
Quantity (in KL)	243.86	195.79
Total Amount (Rs. In lacs)	90.29	49.74
Rate/ Unit      Rs.	2.70	3.94
<b>B) CONSUMPTION PER UNIT OF PRODUCTION</b>		
<b>Product : Bulk Drug</b>		
Production                      Kgs.	913,626	1,336,422
Electricity *                    Units	0.74	0.36
L.D.O. / F.O.                   Litres	37.43	34.27



**FORM - B**

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

**A. RESEARCH & DEVELOPMENT (R & D)**

**1. Specific areas in which R & D carried out by the company**

Developmental activities of the company are directed towards quality improvement and further developments of other varieties of Veterinary and other Bulk Drugs.

**2. Benefits derived as a result of the above R & D**

Due to improvement in the quality of the product, the company has been able to sustain in the international market in spite of adverse market conditions. The company has been developing new products having export potentials.

**3. Future plan of action**

To continue R & D work on the above areas.

**4. Expenditure on R & D**

The Managing Director personally looks after the Technical Service Department and it continuously undertakes the developmental work for new varieties of Bulk Drugs & new formulation with the intention to reduction in cost and improvement in quality to international standard. However amounts spent on R & D are negligible.

**B. TECHNOLOGY ABSORPTION, ADAPTION AND INNOVATION**

**1. Efforts in brief and benefit derived**

Continuous efforts are being made to prepare and check material balance on the actual performance against design. These measures have helped in increasing the productivity and quality improvement.

**2. Details of technology imported during the past 5 years**

No technology has been imported during the past 5 years

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO**

**Foreign Exchange Earning : Rs. 7,77,292/-**

**Foreign Exchange Outgo (C.I.F.) : Rs. 6,84,74,367/-**

By Order of the Board of Directors

Place : Mumbai  
Dated: 30<sup>th</sup> May 2012

**MUKESH D. NAIK**  
Chairman & Managing Director



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## MANAGEMENT DISCUSSION AND ANALYSIS

### I INDUSTRY SCENARIO

#### A) Industry Structure and Development

The Indian Pharmaceutical Industry is mainly operated as well as controlled by dominant foreign companies having subsidiaries in India due to availability of cheap labour in India at lowest cost. Most of the players in the market are small-to-medium enterprises; the largest companies control 70% of the Indian market. However due to Patent Act, representation of Multinational Companies in Indian Pharmaceutical Industry is restricted.

In terms of the global market, India currently holds a modest 1-2% share, but it has been growing at a fairly good growth rate. India gained its foothold on the global scene with its innovatively engineered generic drugs and active pharmaceutical ingredients (API), and it is now seeking to become a major player in outsourced clinical research as well as contract manufacturing and research. The Indian pharmaceutical industry has become the third largest producer in the world and is poised to grow into an industry of \$ 20 billion in 2015 from the current operations of \$ 12 billion approximately.

Active Pharmaceutical Ingredients (API) or bulk drugs are the principal ingredients for finished pharmaceutical products. Intermediates are the compounds from which active pharmaceutical ingredients are prepared. The global API market can broadly be divided into regulated and semi regulated markets. The semi regulated markets offer low entry barriers in terms of regulatory requirements and intellectual property rights. The highly regulated markets, like the United States and Europe, have high entry barriers in terms of intellectual property rights and regulatory requirements, including facility approvals.

The global economy has witnessed considerable political and economic turmoil during the last year, from uprisings in the Middle East and North Africa to the tsunami in Japan and the debt crisis in Europe. This has resulted in general uncertainty across the globe impacting all businesses.

India's economy grew by about 6.9 percent in 2011-12, its' slowest in the last three years and the Government expects it to grow by 7.6 percent in 2012-13. The country's economic growth has fallen below expectations as it copes with spiralling inflation, high interest rates and a widening current account deficit.

The Indian Rupee has depreciated by more than 14 percent as compared to the US Dollar during the financial year 2011-12. A sustained depreciation of the Rupee would benefit the Company and the overall pharmaceutical industry due to significant contribution from exports. However, this could also result in a deteriorating fiscal position of the country in the long run.



**B) Outlook**

API Domestic Industry is traditionally catered to the domestic as well as export markets with their supply largely restricted to manufacturers of generic drugs. This is because sourcing of APIs for patented drugs is maintained in-house by majority of the innovator companies in order to maintain greater flexibility and quality control. As the patented drugs near the end of their exclusivity, innovator companies gradually begin outsourcing of APIs in order to achieve greater cost efficiencies in light of the consequent entry of generics. Given the impending patent expiries and the subsequent increase in generic penetration in the developed markets, the outsourcing of APIs is likely to increasingly shift to low cost manufacturing destinations such as China and India. This is because, on patent expiry, drug prices generally witness a 90%-95% fall as generics begin to enter the market. As a result, in order to remain competitive, innovator companies are increasingly looking to partner with low cost API suppliers either through outsourcing contracts or long term alliances.

The global pharmaceutical industry, in particular the US, Europe, Japan and Australia is witnessing price erosion in the generic business primarily due to competition. In addition, there are the rising costs of production and compliance. All this is exerting pressure on the margins across the industry. The Indian pharmaceutical industry maintained its momentum and registered a growth of about 15 percent, according to ORG-IMS statistics. This growth can be attributed to prominent factors, such as a growing middle class population, rapid urbanization, changes in lifestyle-related diseases and growth in the health insurance sector.

India is expected to play an increasing role in the global economy as demand from a growing population continues to drive consumption.

Your company has identified few new products to cater international market and foresee a good response from the market.

**C) Opportunities and Threats**

Indian domestic pharmaceutical market has seen growth at a CAGR of about 12% in the last 5 years. About 67 Million Indians are expected to reach the age of more than 65 years by 2012. Income of people in rural India is on a rise and the distribution network of drugs is also very strong. These factors are contributing to a high growth of India's rural pharmaceutical market. The positive approach towards product patent product has encouraged the Indian pharmaceutical companies to invest more in Research and Development. Indian pharmaceutical market is expected to have compound annual growth rate of 9.5 per cent by 2015. This indicates substantial growth of Indian pharmaceutical industry.



The industry challenge is to explore / develop new products and markets. The Company expects to introduce products for the bulk drugs industries based on overall demand and supply position and also focus on quality of the product and cost reduction.

The Company has been continuously working on development of new products since last many years and the Company's plants are versatile to manufacture new products. The new products are developed based on overall review of international market with regards to demand and supply position.

As regards threats to the Indian Pharmaceutical Industry, governance is going to be a critical challenge and will have a significant impact on the country's growth rates. This will depend on the way India works towards a resolution. The Industry's growth also have the impact of slow economic growth, compounded by problems of inflation and uncertainty, delay in the implementation of sound policies and reforms in various sectors which could result in lasting damage to the economy.

## **II REVIEW OF OPERATIONS**

### **A) Product wise Performance**

### **B) Risks and concerns**

The Company continues to face concerns over very high cost of production and utilities coupled with shortage of power which is barrier to further explore the possibilities in certain products that are utility intensive processes.

## **III FINANCIAL REVIEW**

The Company's revenue from operations during the financial year 2011-12 amounted to 4471.32 lacs against 3615.27 Lacs in the previous year recording a growth of more than 23.68 percent. With changes in the global economy and slow down of US and European Countries' economies, more efforts were taken to boost domestic sales than the export sales. Profit after tax of the Company was amounted to Rs. 2.97 crores compared to Rs. 2.04 crores of the previous financial year. With the strict cost control and management of manpower, material and money, the Company's margin was improved by 1% of the Sales.

## **IV INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:**

The Company has in place adequate internal control system and review mechanism commensurate with its size and the nature of the business.

The Company's internal control procedures ensure compliance with various policies, practices



and statutes in keeping with the organisation's pace of growth and increasing complexity of operations. A team of internal auditors carries out extensive audits throughout the year, across all functional areas and submits its reports to the Audit Committee of the Board of Directors.

## **V HUMAN RESOURCE**

With the competition in all spheres of industry reaching unprecedented levels, companies are continually reinvesting themselves in a bid to gain competitive advantage. Nutraplus India Limited firmly believes that its competitive edge is derived from its people who have been consistently achieving high standards of performance. With rapidly changing business environment, the Company needs to upgrade existing skills set and meet new challenges.

## **VI SAFETY AND HEALTH**

Safety and Health are the overriding considerations of the Company. The Company has a well defined Safety and Health Policy which focuses on

- Providing and maintaining safe workplace, plants and systems.
- Providing information, instructions, training and supervision to ensure safety.
- Providing personal protective equipments as required.
- Continuously reviewing and improving its safety performance.

## **VII CAUTIONARY STATEMENT**

The Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand/supply and price conditions in the markets in which the Company operates, changes in the government regulations, tax laws and statutes and other incidental factors.



## CORPORATE GOVERNANCE REPORT

Clause 49 of the Listing Agreement with Stock Exchanges stipulates the norms and disclosure standards that have to be followed on the Corporate Governance front by Listed Companies.

### I. COMPANY'S PHILOSOPHY

The Company's philosophy of Corporate Governance is to achieve business excellence by enhancing the long term welfare of all its stakeholders and the Company believes that it can be achieved by implementation of Corporate Governance Practices, maintaining transparency and dissemination of maximum information to stakeholders is healthy for the Company and its stakeholders.

The Company's objective is to adhere to a corporate culture of accountability, professionalism, transparency and openness.

The Company believes that corporate governance is about creating outperforming organization, i.e. organization that consistently succeed in the marketplace against competition and thereby enhance the value of all its Stakeholders.

### II. BOARD OF DIRECTORS

#### (a) Composition of Directors:

The Composition of Board of Directors of the Company is in conformity with the requirements of the Corporate Governance Code of the Listing Agreement with the Stock Exchange. The Board of Directors of the Company consists of optimal combination of Executive, Non-Executive and Independent Directors.

As on 31st March, 2012, the Board has Six (6) Directors, comprising of Two (2) Executive Directors, One (1) Non Executive Director and Three (e) Independent Directors and . The Chairman of the Board is Executive Director.

None of the Directors is a Director in more than 15 Companies and member of more than 10 Committees or act as Chairman of more than 5 Committees across all Companies in which they are Directors. The Non- Executive Directors are appointed or re-appointed with the approval of the Shareholders. All the Directors are liable to retire by rotation, except the Managing Director whose term is determined pursuant to the terms and conditions of their appointment. The Non- Executive Directors including Independent Directors on the Board are experienced, competent and having a wide knowledge in their respective fields. The Company has obtained requisite disclosures from the Directors in respect of their respective Directorship in other Companies.

#### (b) Boards' functioning and procedure :

The Board of Directors primary function remains policy direction and strategizing. The Board also sets Corporate goals and monitor Company performance on an ongoing basis.

In addition to its primary role of setting Corporate goals and monitoring Corporate performance, the Board directs and guides the activities of the management towards

Details of the Directors with regard to the Directorships in other Indian Companies (other than Section 25 Companies), positions in either Audit Committee or Shareholders' / Investors' Grievance Committee as well as attendance at Board Meeting / Annual General Meeting are as follows:





Name of the Director	Category of Directorship	No. of Directorship(s) in other Public Companies	Committees		Attendance in Board Meetings		Attended Last AGM (Yes/No)
			Member	Chairman	Held	Attended	
Mr. Mukesh D. Naik	Managing Director	1	1	-	7	7	Yes
Mr. Mahesh H. Doshi	Independent	--	--	--	7	7	No
Mr. Uday M. Desai	Non Executive	2	1	2	7	7	Yes
Mr. Mukesh R. Desai	Independent	--	2	1	7	7	Yes
Mr. Dilip K. Pimple	Executive	1	--	--	7	7	No
Mr. Prameshkumar B. Mehta	Independent	--	--	--	7	1	Yes

**Notes:**

Represents Directorships/Memberships of Audit and Investors' Grievance Committee of Public Limited Companies governed by Companies Act, 1956.

**(c) Board Meetings and Attendance of Directors:**

Company's Board of Directors plays primary role in ensuring good governance and functioning of Company. The Board meets at least once in a quarter to consider amongst other business the performance of the Company and quarterly financial results.

During the financial year ended 31st March 2012, 7 (Seven) meetings of the Board of Directors were held i.e. on 2nd May, 2011, 26th May, 2011, 14th July, 2011, 11th August, 2011, 14th October, 2011, 11th November, 2011 and 13th February, 2012.

Table hereunder gives the attendance record of the Directors at the Board Meetings held during Financial Year 2011-12.

Name of the Directors	Number of Board Meetings held	Number of Board Meetings attended
Mr. Mukesh D. Naik	7	7
Mr. Mahesh H. Doshi	7	7
Mr. Uday M. Desai	7	7
Mr. Mukesh R. Desai	7	7
Mr. Dilip K. Pimple	7	7
Mr. Prameshkumar B. Mehta*	7	1



**III. CODE OF CONDUCT:**

The Company has adopted a Code of Conduct for the members of the Board and the Management Committee in compliance with the provisions of Clause 49 of the Listing Agreement.

All the members of the Board and the Management Committee have affirmed compliance to the Code of Conduct as on 31st March, 2012 and a declaration to that effect signed by the Managing Director is attached and forms a part of this Report.

**IV. BOARD COMMITTEES:**

To enable better and more focused attention on the affairs of the Company, the Board delegates specific matters to Committees of the Board set up for the purpose. The Committees prepare the groundwork for decision making and report at the subsequent meeting of the Board of Directors.

Currently, the Board has three Committees viz. Audit Committee, Remuneration Committee and Share Transfer / Investors Grievance Committee. The Board is responsible for the Constitution, co-opting and fixing the terms of reference for said Committees.

Draft Minutes of the Committee meetings duly initialed by the Chairman of the respective Committee meeting is circulated to the members of that Committee for their comments and thereafter, confirmed in its next meeting. The Board of Directors also takes note of the minutes of the meetings of the Committees, at their Meeting.

**[i] AUDIT COMMITTEE:**

**(a) Primary Objectives of the Audit Committee**

The Audit Committee of the Board of Directors of the Company inter-alia provides assurance to the Board on the adequacy of the internal control systems and financial disclosures.

As required under Section 292A of the Companies Act, 1956 read with the provisions of Clause 49 of the Listing Agreement(s) with the Stock Exchange(s), the Board has constituted an Audit Committee (the "Committee"). The Committee acts as a link between the Statutory Auditors and the Board of Directors. It addresses itself to matters pertaining to adequacy of internal controls, reliability of financial statements and other management information and adequacy of provisions of liabilities. The primary objective of the "Committee" is to monitor and provide effective supervision of the management's financial reporting process with a view to ensure accurate, timely and proper disclosures and the transparency, integrity and quality of financial reporting.

The terms of reference of the Audit Committee are as outlined in Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956.



**(b) Scope of the Audit Committee**

1. Provide an open avenue of communication between the independent auditor and the Board of Directors ("BOD").
2. Recommending the appointment of Statutory Auditors, fixation of audit fees and also to approve the payment for other services.
3. Meet four times a year or more frequently as circumstances required. The Audit Committee may ask members of management or others to attend meetings and provide pertinent information as necessary.
4. Confirm and assure the independency of the external auditor.
5. Review with independent auditor the co-ordination of audit efforts to assure completeness of coverage, reduction of redundant efforts and the effective use of all audit resources.
6. Consider and review with the independent auditor, the adequacy of internal controls including the computerized information system controls and security.
7. Reviewing with the management, the quarterly financial statements before submission to the Board for approval.
8. Reviewing with the management the annual financial statements before submission to the Board, focusing primarily on:
  - (a) Any changes in the accounting policies and practices,
  - (b) The going concern assumption,
  - (c) Compliance with Accounting Standards,
  - (d) Compliance with stock exchange and legal requirements concerning financial statements, and;
  - (e) Significant adjustment arising out of audit.
9. Consider and review with the management and the independent auditor:
  - (a) Significant findings during the year, including the status of previous audit recommendations, and;
  - (b) Any difficulties encountered in the course of audit work including any restrictions on the scope of activities or access to required information.
10. Review of the following information:
  - (a) Management discussion and analysis of financial condition and results of operations;
  - (b) Statement of significant related party transactions submitted by the management;
  - (c) Management letters/letters of internal control weaknesses issued by the Statutory Auditors.



**(c) Composition of the Audit Committee as on 31st March, 2012**

The Audit Committee currently comprises of three Non-Executive Directors as members out of which two are Independent Directors. Mr. Pramesh Mehta, an Independent Director acts as the Chairman of the Committee. The Statutory Auditors are invited to the Audit Committee Meetings.

**The Audit Committee comprises of the following Members as on 31<sup>st</sup> March, 2012**

Sr. No.	Name of the Audit Committee Members	Position
1	Mr. Prameshkumar Mehta	Chairman
2	Mr. Mahesh H. Doshi	Member
3	Mr. Uday M. Desai	Member

**The Audit Committee was reconstituted on 2<sup>nd</sup> May 2011 with induction of Mr. Prameshkumar Mehta in place of Mr. Dilip Pimple.**

**(d) Audit Committee Meetings and Attendance during the financial year ended 31<sup>st</sup> March, 2012**

During the Financial Year 2011-12, 4 (Four) Meetings of the Audit Committee were held i.e. on 26th May, 2011, 11th August, 2011, 11th November, 2011 and 13th February, 2012.

The table hereunder gives the attendance record of the Audit Committee members.

Name of the Audit Committee Members	Number of Meetings attended during the year
Mr. Prameshkumar Mehta	4
Mr. Mahesh H. Doshi	4
Mr. Uday M. Desai	4

The Committee has recommended to the Board the appointment of M/s. AMPAC & Associates, Chartered Accountants, as the Statutory Auditors of the Company for the Financial Year ending March 31, 2013 and that necessary resolution for appointing them as Auditors has been placed before the Shareholders.

**[ii] REMUNERATION COMMITTEE**

The Broad terms of reference of the Remuneration Committee is to ensure that the remuneration practices of the Company in respect of the Senior Executives including the Executive Directors are competitive keeping in view prevalent compensation packages so as to recruit and retain suitable individual(s) in such capacity.



a) **Composition of the Committee**

The Remuneration Committee comprises of the following members as on 31<sup>st</sup> March, 2012.

Sr. No	Name of the Remuneration Committee Members	Position
1	Mr. Prameshkumar Mehta	Chairman
2	Mr. Mahesh H. Doshi	Member
3	Mr. Mukesh R. Desai	Member

The Remuneration Committee was reconstituted on 2<sup>nd</sup> May 2011 with induction of Mr. Prameshkumar Mehta in place of Mr. Uday Desai.

(b) **Meetings and Attendance**

Meeting of the Remuneration Committee was not held during the financial year ended on 31<sup>st</sup> March, 2012.

(c) **Remuneration Policy**

The Executive Director is paid remuneration as per the agreements entered into between the Company. The remuneration structure of the Executive Director comprises of Salary, House Rent Allowance, Perquisites and contribution to Provident fund.

The appointment and payment of remuneration of the Executive Director(s) is recommended by the Remuneration Committee, approved by the Board and also by the shareholders of the Company. Their appointment is governed by respective resolutions passed by the Board of Directors and shareholders of the Company, which covers terms of such appointment, read with the service rules of the Company.

Remuneration paid to the Executive Directors is recommended by the Remuneration Committee, approved by the Board and is within the limits set by the shareholders at the General Meetings.

Presently, the Company does not have any stock option plan or performance linked incentives for its Directors.

**Details of Remuneration paid to all the Directors for the Financial Year ended 31<sup>st</sup> March, 2012 are as under:**

Name of the Directors	(Rs. in Lacs)
	Salary & Perks
Mr. Mukesh D. Naik	30.00
Mr. Dilip K. Pimple	5.28

Apart from above, no remuneration / sitting fees is paid to any other Directors.


**Shares held by Non-Executive Directors:**

Name of the Non-Executive Director	Equity Shares held (No.)
Mr. Mahesh H. Doshi	200
Mr. Uday M. Desai	1102400
Mr. Mukesh R. Desai	- - -
Mr. Dilip K. Pimple	- - -
Mr. Prameshkumar B. Mehta	- - -

**[iii] SHARE TRANSFER / INVESTORS GRIEVANCE COMMITTEE:**
**(a) Scope of the Share Transfer and Investor Grievance Committee:**

The Share Transfer / Investor Grievance Committee specifically look into the shareholders' complaints, if any and to redress the same expeditiously. The Committee deals with various matters like share transfers, transmissions, issue of duplicate share certificates, approve the demat requests, request for consolidation of shares as and when received, and to generally deal with all investors related matters and redress the grievances of investors if any.

**(b) Composition of the Committee:**

Share Transfer and Investors Grievance Committee consist of three Directors out of which, one Director is Executive Director and two Directors are Non-Executive out of which one Director is Independent Director. The Share Transfer and Investors Grievance Committee currently comprises of the following members:

**The Share Transfer / Investor Grievance Committee comprises of the following members as on 31st March, 2012:**

Name of Member	Designation
Mr. Mukesh R. Desai	Chairman
Mr. Uday M. Desai	Member
Mr. Mukesh D. Naik	Member

**(c) Meetings and Attendance:**

Shareholders/Investors Grievances Committee during the year under review met seven times i.e. on 2nd May, 2011, 26th May, 2011, 14th July, 2011, 11th August, 2011, 14th October, 2011, 11th November, 2011 and 13th February, 2012.



Name of the Director	No. of Meetings Attended
Mr. Mukesh R. Desai	7
Mr. Uday M. Desai	7
Mr. Mukesh D. Naik	7

**Details of Shareholders' complaints received, solved and pending during the Financial Year ended 31<sup>st</sup> March, 2012**

The total numbers of complaints received and replied to the satisfaction of the shareholders during the financial year ended March 31, 2012 were 1; there were no pending/unattended complaints as on March 31, 2012.

Nature of Complaint	Pending as on 01-04-2011	Received during the year	Resolved during the year	Pending as on 31-03-2012
Stock Exchange - Non Receipt of annual Report	Nil	Nil	Nil	Nil
Securities Exchange Board of India	Nil	Nil	Nil	Nil
Others	0	1	1	Nil

**V. SUBSIDIARY COMPANY :**

The Company has one unlisted Indian Subsidiary company i.e. Dynamic Metal Powder Private Limited.

**VI. GENERAL BODY MEETINGS :**

Details of last **three** Annual General Meetings are given hereunder

Year	Date	Venue	Time
2010-2011	30/09/2011	7-A, Vakil Villa, H.F. Society Road End, Jogeshwari (East), Mumbai - 400 060	11.00 A.M.
2009-2010	30/09/2010	7-A, Vakil Villa, H.F. Society Road End, Jogeshwari (East), Mumbai - 400 060	11.00 A.M.
2008-2009	30/09/2009	7-A, Vakil Villa, H.F. Society Road End, Jogeshwari (East), Mumbai - 400 060	11.00 A.M.



**Special Resolutions passed in the last three Annual General Meetings (AGM):**

**F.Y.2008-2009**

Re- appointment of Mr. Mukesh D. Naik as the Chairman & Managing Director of the Company for a period of 5 (Five) years with effect from 1<sup>st</sup> October, 2009 to 30<sup>th</sup> September, 2014.

**F.Y. 2009-2010**

There was no special resolution passed in the Annual General Meeting held for the financial year 2010-2011.

**F.Y. 2010-2011**

There was no special resolution passed in the Annual General Meeting held for the financial year 2010-2011.

**Special Resolution passed in Extra-Ordinary General Meetings (EGM) held in last three financial years:**

**For 2009-10**

- a. Alteration in Capital Clause of Articles of Association pursuant to Increase in Authorised Share Capital of the Company from Rs. 4,50,00,000/- (Rupees Four Crores Fifty Lacs) to Rs. 5,50,00,000/- (Rupees Five Crores Fifty Lacs only).
- b. Alteration of Articles of Association
- c. Further issue of 3,20,000 Equity Shares of Rs.10/- each for cash at par in accordance with ICDR Regulations.
- d. Further issue of 8,25,000 Optionally Fully Convertible Warrants.

**Special Resolution passed by way of Postal Ballot:**

During the Financial Year 2011-2012, Special Resolution was passed by way of Postal Ballot on 19<sup>th</sup> November, 2011 for seeking approval of members for change of name of the Company form "Nutraplus Products (India) Limited" to "Nutraplus India Limited."

**VII. DISCLOSURES:**

(a) **Related Party Transactions:**

There are no transactions of material nature with Directors/Promoters or any related entity, which will have any potential conflict with the interests of the Company at large except the transactions mentioned under the Section of Notes to Accounts which forms a part of the Auditors' Report for the year ended 31<sup>st</sup> March, 2012.

(b) **Compliance by the Company:**

A Statement of Compliance with all Laws and Regulations as certified by the Whole-Time Director and Company Secretary is placed at periodic intervals for review by the Board. The Board reviews the compliance of all the applicable Laws and gives appropriate directions wherever necessary.





**(c) CEO and CFO Certification**

The Managing Director have given a Certificate to the Board as contemplated in Clause 49 of the Listing Agreement.

**(d) Compliance with the Mandatory requirements and Implementation of the Non-mandatory requirements:**

The Company has complied with the mandatory requirements of the Corporate Governance Clause of Listing Agreement. The Company has not implemented the non-mandatory requirements, except the constitution of Remuneration Committee and Whistle Blower Policy, enlisted by way of annexure to Clause 49 of the listing agreement.

**VIII. MEANS OF COMMUNICATION:**

a.	Half-yearly report sent to each shareholders	No <sup>1</sup>
b.	Quarterly results Published in	Yes <sup>2</sup>
c.	Website where displayed	<a href="http://www.nutraplusindia.com">www.nutraplusindia.com</a>
d.	Whether the website also displays official news releases and presentations to the media, analysts, institutional investors' etc.	No <sup>3</sup>
e.	Audited financial results	Yes <sup>2</sup>
f.	Whether MD&A (Management Discussion & Analysis) is a part of Annual Report?	Yes

- 1 As the results are published in newspapers having wide circulation and also displayed on the Company's website, half yearly results are not sent separately to each shareholder.
2. Freepress Journal, Mumbai (English Edition) & Navshakti, Mumbai (Marathi Edition)
3. No presentations were made to the institutional investors or to analysts during the year under review.

**IX. CERTIFICATE ON CORPORATE GOVERNANCE:**

As required by Clause 49 of the Listing Agreement, a certificate issued by M/s. AMPAC & Associates, Chartered Accountants with respect to compliance with Corporate Governance norms is given as an annexure to this Report.

**X. CEO DECLARATION:**

As required by Clause 49 of the Listing Agreement, the CEO i.e. the Managing Director's declaration on compliance of the Company's Code of Conduct is provided as an annexure to this Report.


**XI. GENERAL SHAREHOLDERS' INFORMATION:**

<b>1. Annual General Meeting of Shareholders:</b>	
<b>Date</b>	29 <sup>th</sup> September, 2012
<b>Day</b>	Saturday
<b>Venue</b>	7-A, Vakil Villa, H.F. Society Road End, Jogeshwari (East), Mumbai- 400 060
<b>2. Financial Calendar (tentative and subject to change)</b>	<b>Financial Reporting for quarter ended:</b>
	June 30, 2012      14 <sup>th</sup> August 2012
	September 30, 2012      14 <sup>th</sup> November 2012
	December 31, 2012      14 <sup>th</sup> February 2013
	March 31, 2013      30 <sup>th</sup> May 2013
	Annual General Meeting for year ended 31 <sup>st</sup> March, 2013      30 <sup>th</sup> September 2013
<b>3. Dates of Book Closures</b>	21 <sup>st</sup> September, 2012 to 29 <sup>th</sup> September, 2012 to (both days inclusive)
<b>4. Registered Office</b>	7-A, Vakil Villa, H.F. Society Road End, Jogeshwari (East), Mumbai- 400 060
<b>5. Listing on Stock Exchanges</b>	
a. Stock Exchange	Bombay Stock Exchange Limited
b. Depository	Central Depository Services (India) Ltd. and National Securities Depository Ltd.
<b>6. Stock Exchange Code</b> The Bombay Stock Exchange Limited	524764
<b>7. Demat ISIN No. in NSDL &amp; CDSL</b>	INE230G01012
<b>8. Listing fees</b>	Paid for financial year 2012-2013
<b>9. Disclosures regarding appointment or re-appointment of Directors:</b>	
Pursuant to the provisions of Sections 255 & 256 of the Companies Act, 1956, Mr. Mukesh R. Desai and Mr. Dilip Pimple will retire by rotation in the forthcoming Annual General Meeting. The Board has recommended the re-appointments of the said Directors to the shareholders. The detailed resume of Directors proposed to be re-appointed is provided in the notice of the Annual general Meeting.	



10.	Stock Market Price Data:				
	Monthly High and Low of Closing prices of the Company's Equity Shares traded at Bombay Stock Exchange Limited for the financial year ended 31 <sup>st</sup> March, 2012 is noted below:				
	Month	Nutraplus		BSE	
		High (Rs.)	Low (Rs.)	Sensex (High)	Sensex (Low)
	April 2011	14.60	12.05	19811.14	18976.19
	May 2011	19.00	11.70	19253.87	17786.13
	June 2011	20.00	15.45	18873.39	17314.38
	July 2011	17.35	14.90	19131.70	18131.86
	August 2011	16.85	14.15	18440.07	15765.53
	September 2011	17.70	15.15	17211.80	15801.01
	October 2011	17.15	15.10	17908.13	15745.43
	November 2011	23.00	15.75	17702.26	15478.69
	December 2011	19.50	15.20	17003.71	15135.86
	January 2012	19.75	15.60	17258.97	15358.02
	February 2012	26.40	17.25	18523.78	17061.55
	March 2012	24.95	18.10	18040.69	16920.61

**Performance in comparison to BSE Sensex**



- 11. Registrar and Share Transfer Agents:**  
**Sharex Dynamic (India) Private Limited**  
 Unit - 1, Luthra Industrial Premises,  
 Safed Pool, Andheri Kurla Road,  
 Andheri (East),  
 Mumbai - 400 072  
 Tel.No.: 022 - 2851 5606, 2851 5644.  
 Fax No.: 022 - 2851 2885.  
 Email: [sharexindia@gmail.com](mailto:sharexindia@gmail.com)

**12. Share Transfer System:**

Shares sent for physical transfer are generally registered and returned within a period of 30 days from the date of receipt, if the documents are clear in all respects. The Shareholders'/ Investors' Grievance Committee meets as often as required. As per the revised Clause 49 of the Listing Agreement and to expedite the process of share transfers, the Board has delegated the powers of share transfers and related matters to Mr. Mukesh D. Naik, Mr. Mukesh R. Desai and Mr. Uday M. Desai, members of the Shareholders'/ Investors' Grievance Committee who shall attend to share transfer formalities as per the requirement.

The total number of shares transferred in physical form during the year 2011-2012 was 12,100 Equity Shares.

**13. Distribution of Shareholding as on March 31, 2012:**

**A. Distribution of shareholding as on March 31, 2012 is noted below:**

No. of Equity Shares Held	Shareholders		Shares	
	Number of Shareholders	% of Shareholders	Total Shares	% of Total Capital
1 - 100	4405	70.59	426712	8.21
101 - 200	742	11.89	146657	2.82
201 - 500	476	7.63	196108	3.77
501 - 1000	303	4.86	270225	5.20
1001 - 5000	256	4.10	621443	11.96
5001 - 10000	32	0.51	238485	4.59
10001 - 100000	21	0.34	879800	16.94
100001 & ABOVE	5	0.08	2415570	46.50
<b>TOTAL</b>	<b>6240</b>	<b>100.00</b>	<b>5195000</b>	<b>100.00</b>

**B. Categories of Shareholding as on March 31, 2012 :**

Category	Category of shareholder	Number of shareholders	Total number of shares	Total shareholding as a percentage of total number of shares
<b>PROMOTER &amp; PROMOTER GROUP</b>				
Indian	Individuals/ HUF	13	2509500	48.306
	Bodies Corporate	0	0	0
	<b>TOTAL (Promoter &amp; Promoter Group)</b>	<b>13</b>	<b>2509500</b>	<b>48.306</b>
<b>PUBLIC</b>				
Institutions	Mutual Funds/ UTI	1	3800	0.73
	Financial Institutions/ Banks	1	100	0.02
	Foreign Institutional Investors	0	0	0
	<b>Total for Institutions</b>	<b>2</b>	<b>3900</b>	<b>0.075</b>
Non-institutions	Bodies Corporate	55	109937	2.116
	Individuals	6042	2311149	44.488
	Clearing Member	5	6449	0.124
	NRIs	123	254065	4.891
	<b>Total for Non-Institutions</b>	<b>6225</b>	<b>2681600</b>	<b>51.619</b>
	<b>TOTAL (Public)</b>	<b>6227</b>	<b>2685500</b>	<b>51.694</b>
	<b>GRAND TOTAL</b>	<b>6240</b>	<b>5195000</b>	<b>100</b>

**14. Dematerialization of shares and liquidity**

The shares of the Company are in compulsory DEMAT segment and are available for trading in the depository systems of both NSDL and CDSL under ISIN No. INE017C01012. As on March 31, 2012, 4,239,985 Equity Shares of the Company, forming 81.62% of the Share Capital of the Company, stand dematerialized.

**15. Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, conversion date and likely impact on equity.**

There are no GDR's / ADR's / Warrants or any Convertible Instruments pending conversion or any other instrument likely to impact the Equity Share Capital of the Company.

**16. ADDRESS FOR CORRESPONDENCE:**

Registrar and Transfer Agent (share transfer and communication regarding share certificates, dividends and change of address)	Sharex Dynamic (India) Pvt. Limited Unit 1, Luthra Industrial Premises, Safed Pool, Andheri- Kurla Road, Andheri(East), Mumbai- 400 072
Compliance Officer  <b>No.</b>	Alpa Shah 7-A, Vakil Villa, Society Road End, Jogeshwari (East), Mumbai - 400 060 Tel. : 022-28348587, 28212191 Fax : 022-28212192 Email:nutraplus@gmail.com

**XII UNCLAIMED SHARES**

As per Clause 5A of the amended Equity Listing Agreement, The Company and the Registrar and Transfer agents are not in possession of any Physical Share Certificates which has remained undelivered or unclaimed to / by shareholders of the Company.

The Company has no unclaimed shares.

**XIII. REQUEST TO INVESTORS:**

- a) Investors are requested to communicate change of address, if any, directly to the Share Transfer Agent of the Company at the above address.
- b) The Shareholders are requested to dematerialize their physical Share certificates, through a depository participant. Shareholders requiring any further clarification / assistance on the subject may contact the Company's Share Transfer Agent.
- c) Investors who have not availed nomination facility are requested to avail the same by submitting the nomination form. The form will be made available on request.
- d) Investors holding Shares in electronic form are requested to deal only with their Depository Participant in respect of change of address, nomination facility and furnishing Bank account number etc.
- e) Investors are requested to kindly note that any dividend which remains unencashed for a period of seven years will get transferred to "Investors Education and Protection Fund" in terms of Section 205C of the Companies Act, 1956.



#### **XIV NON-MANDATORY REQUIREMENTS**

a) **Remuneration Committee:**

The Board has constituted a Remuneration Committee with four Non-executive Directors out of which three and Independent Directors. The Committee reviews and recommends to the Board the remuneration package to the Executive Directors.

b) **Whistle Blower Policy:**

The Company has established a whistle blower mechanism to provide an avenue to raise concerns. The mechanism provides for adequate safeguards against victimization of employees who avail of it and also appointed of an Ombudsperson who will deal with the complaints received. The policy also lay down the process to be followed for dealing with complaints and in exceptional cases, also provides for direct appeal to the Chairperson of the Audit Committee.

**Place : Mumbai**

**For Nutraplus India Limited.**

**Date : 30<sup>th</sup> May 2012**

**Chairman**

**Registered Office :**

7-A Vakil Villa, H.F. Society Road End,  
Jogeshwari (East) Mumbai 400 060.



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**MANAGING DIRECTORS' DECLARATION**

**DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT**

Pursuant to Clause 49 I (D) of the Listing Agreement entered into with the Stock Exchange, I hereby declare that all the Board members and senior management personnel of the Company have affirmed compliances with the Code of Conduct for the year ended 31st March, 2012.

**Place: Mumbai**

**Date: 30<sup>th</sup> May, 2012**

**AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE:**

**To the Shareholders of Nutraplus India Limited  
(Previously Known as Nutraplus Products (India) Limited)**

We have examined the compliance of conditions of corporate governance by Nutraplus India Limited (Previously Known as Nutraplus Products (India) Limited), for the year ended on March 31, 2012 as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchange.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statement of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied in majority of all material conditions of corporate governance as stipulated in the above-mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For M/S AMPAC & Associates  
Chartered Accountants  
FRN112236w**

**Mumbai  
Dated: 30<sup>th</sup> May 2012**

**M. J. Desai  
Partner.  
Membership No. 042769**





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**AUDITOR'S REPORT**

**The Members of  
Nutraplus India Limited  
(Previously Known as Nutraplus Products (India) Limited)**

1. We have audited the attached Balance Sheet of Nutraplus India Limited (Previously Known as Nutraplus Products (India) Limited) as at 31st March 2012 and also the Profit and Loss Account of the Company for the year ended on that date, annexed thereto and the Cash Flow Statements for the period ended on that date. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors Report) Order, 2003 (CARO) issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in the paragraph 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
  - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b) In our opinion, proper books of accounts as required by Law have been kept by the Company so far as appears from our examinations of those books.
  - c) the Balance Sheet, Profit & Loss Account and cash Flow Statement dealt with this report are in agreement with the books of account.
  - d) in our opinion, the Balance Sheet, the Profit & Loss Account, and the Cash Flow Statement dealt with by this report are in compliance with the Accounting standards referred to in Sub Section (3c) of Section 211 of the Companies Act, 1956 except followings;



"During the year under consideration, Company has provided the gratuities provision for Rs. 17,35,000/= as per own estimates without actuary valuation, which is not in consistent with the Accounting Standard 15 - Employees Benefit, hence we are unable to express its impact on the reported profit for the year and accumulated profit reported on the date of Balance sheet."

- e) On the basis of the written representations received from the directors as on 31st March 2012, we report that none of the directors is disqualified as on 31st March 2012 from being appointed as a director under Section 274(1) (g) of the Companies Act, 1956.
- f) *Subject to paragraph 3.d) above & Note 28.3 forming part of the financial statements relating to non-disclosure of status of creditors and non-provision of interest thereon required under the Micro, Small and Medium Enterprises Development Act' 2006*, in our opinion and according to the best of information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with accounting principles generally accepted India:
- (i) in so far as it relates to the Balance Sheet of the state of affairs of the Company as at 31st March, 2012; and
- (ii) in so far as it relates to the Profit & Loss account of the "Profit" of the Company for the year ended on that date.
- (iii) in the case of Cash Flow Statement of the cash flow for the year ended on that date.

**FOR AMPAC & ASSOCIATES  
CHARTERED ACCOUNTANTS**

PLACE: MUMBAI  
DATE : 30th May' 2012

**M.J. DESAI**  
**PARTNER**  
Membership No. 042769  
Firm Registration No. 112236W



**ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE**

1. (a) *The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets. However item wise fixed Register is not up dated from Financial Year 2004-2005.*
- (b) The Management during the year has physically verified major fixed Assets of the Company and according to the information given to us; no discrepancies have been arrived in respect of the Assets.
- (c) During the year the company has not disposed of a substantial part of its fixed assets.
2. (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to the explanations given to us, the procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
- (c) The Company is maintaining proper records of inventory. No material discrepancies have been noticed on physical verification of stocks as compared to book records. However the inventory lying at the job work parties were not physically verified.
3. In respect of loans, secured or unsecured, granted or taken by the Company to/from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956:
  - (a) The Company has not granted any loans secured or unsecured loans from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Hence clauses (iii) (b), (c) & (d) of the Order, are not applicable.
  - (b) In our opinion and according to the information and explanations given to us, the company has taken unsecured Inter-Corporate deposits Rs.1,03,00,000 (Maximum outstanding Rs. 1,45,50,000) from company Viz. Vet-Pharma Nitro Products Limited and Mrs. Gita Naik covered in the register maintained under section 301 of the Act, 1956.
  - (c) The rate of interest and other terms and conditions of Inter-Corporate deposit taken by the Company are not prima facie prejudicial to the interest of the Company. The unsecured loan from Gita Naik is interest free.
  - (d) The payment of principal amount and interest is regular.



4. In our opinion, there is adequate internal control system commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. *However, the system of confirmation / reconciliation of balances need to be strengthened to make them commensurate with the size of the Company and the nature of its business.*
5. In respect of transactions covered under Section 301 of the Companies Act, 1956:
  - a. According to the information and explanation given to us, the transaction made in pursuance of contracts or arrangements, that needed to be entered into register maintained under Section 301 of the Companies Act, 1956 have been entered.
  - b. In our opinion, and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956, aggregating during the year to Rs. 5 lacs or more in respect of each party, have been made at the prices which are reasonable having regard to prevailing market prices at the relevant time as available with the company.
6. In our opinion and according to the explanations given to us, the company has not accepted any deposits referred in Section 58A and 58AA or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public.
7. *In our opinion, the company has an in-house internal audit system. In absence of formal internal audit system, the internal control should be strengthened to commensurate with the size and nature of its business.*
8. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
9. a. In the opinion of the management and explanation given to us, except gratuities other employees benefits are not applicable to the Company. (for details refer to Note 20 forming part of the financial statements relating employee benefit expense).
- b. In the opinion of the management and explanation given to us, the company is generally regular in depositing with the appropriate authorities' undisputed statutory dues including Investor Education and Protection Fund, Income Tax, Sales tax, Wealth tax, service



tax, Custom duty, Excise duty, Cess and other material Statutory Dues applicable to it. There were no arrears as at 31st March 2012 for a period of more than six months from the date they became payable.

- c. According to the information and explanations given to us, there are no dues of Investor Education and Protection Fund, sales tax, Income tax, Wealth tax, Service tax, Custom duty, Excise duty or Cess and other material statutory dues, outstanding on account of any dispute.
10. The company does not have accumulated losses at the end of the financial year and has not incurred any cash losses in the current and immediately preceding financial year.
11. According to the information and explanation given to us and the records examined by us, the company has not defaulted in repayment of dues to financial institution, banks or debenture holders.
12. According to the information and explanation given to us, the company has not granted any loans on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion and according to the information and explanations given to us, the nature of activities does not attract any special statute applicable to chit fund and nidhi/mutual benefit funds/societies. Therefore, the provisions of Clause 4(xiii) of the Order, are not applicable to the Company.
14. In our opinion and according to the information and explanations given to us, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order, are not applicable to the Company.
15. According to the information and explanation given to us and the records examined by us, the company had not given any guarantee to banks for loans taken by a group concern or others.
16. As informed to us, the company had availed additional term loans and working capital loans during the year. In our opinion, the term loans and working capital availed was utilized for the purpose for which it was applied.
17. *On the basis of an overall examination of the balance sheet and the cash flows of the company and the information and explanations given to us, we report that the Company has utilized funds raised on short-term basis for long-term investments.*
18. During the year, the Company has made preferential allotment of Equity shares converted from share warrant to parties covered under Section 301 of the Companies Act, 1956, for details refer to Note 1 forming part of the financial statements relating to share capital.



19. According to the information and explanations given to us, the company has not issued any debentures during the year. Accordingly, the provisions of clause (xix) of the Order are not applicable to the Company.
20. The Company has not raised any public issue during the year.
21. Based upon the audit procedures performed and information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

**FOR AMPAC & ASSOCIATES  
CHARTERED ACCOUNTANTS**

PLACE: MUMBAI  
DATE : 30<sup>th</sup> May, 2012

**M.J. DESAI**  
**PARTNER**  
Membership No. 042769  
Firm Registration No. 112236W



<b>BALANCE SHEET AS AT MARCH 31, 2012 (STANDALONE)</b>			
(Amount in Rupees)			
	Note No.	As at 31.03.2012	As at 31.03.2012
<b>A. EQUITY AND LIABILITIES</b>			
<b>1. Shareholders funds</b>			
(a) Share capital	1	51,950,000	47,450,000
(b) Reserves and surplus	2	76,138,655	46,420,234
(c) Money received against share warrants		-	1,125,000
		128,088,655	94,995,234
<b>2 Share application money pending allotment</b>		-	-
<b>3 Non-current liabilities</b>			
(a) Long-term borrowings	3	66,868,845	42,502,699
(b) Deferred tax liabilities (net)	4	14,717,397	12,345,777
(c) Long-term provisions	5	1,735,000	-
		83,321,242	54,848,476
<b>4 Current liabilities</b>			
(a) Short-term borrowings	6	62,934,292	44,628,434
(b) Trade payables	7	125,056,302	76,906,562
(c) Other current liabilities	8	25,261,320	9,145,836
(d) Short-term provisions	9	11,165,945	5,510,661
		224,417,859	136,191,493
<b>TOTAL</b>		435,827,756	286,035,203
<b>B. ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	10	192,903,478	116,217,073
(ii) Capital work-in-progress	10	191,517	7,902,701
		193,094,995	124,119,774
(b) Non-current investments	11	18,017,800	17,800
		211,112,795	124,137,574
<b>2 Current assets</b>			
(a) Inventories	12	68,204,964	40,697,732
(b) Trade receivables	13	120,595,841	90,127,551
(c) Cash and cash equivalents	14	13,659,805	12,536,154
(d) Short-term loans and advances	15	22,254,351	18,449,027
(e) Other current assets	16	-	87,165
		224,714,961	161,897,629
<b>TOTAL</b>		435,827,756	286,035,203
<b>See accompanying notes forming part of the financial statements</b>	<b>1 to 28</b>		
In terms of our report attached For <b>AMPAC &amp; ASSOCIATES</b> Chartered Accountants <b>M. J. Desai</b> Partner Membership No. 042769 Firm Registration No. 112236W Mumbai Dated : 30 <sup>th</sup> May, 2012.		For and on behalf of the Board Director  Mr. Mukesh D. Naik Chairman & Managing Director  Uday Desai Mukesh Desai Director	



**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2012 (STANDALONE)**  
(Amount in Rupees)

No.	Particulars	Note	For the Year Ended 31.03.2012	For the Year Ended 31.03.2012
1.	Revenue from operations (gross)	17	481,141,442	387,432,116
	Less: Excise duty	17	34,009,557	25,904,965
	Revenue from operations (net)		447,131,885	361,527,151
2.	Other Income	18	1,698,815	845,231
3	<b>Total revenue (1+2)</b>		448,830,700	362,372,382
4	<b>Expenses</b>			
	(a) Cost of materials consumed	19	322,436,203	207,497,522
	(b) Purchases of stock-in-trade	19	-	21,912,450
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	19	(19,541,241)	14,854,675)
	(d) Employee benefits expenses	20	17,545,239	14,930,990
	(e) Finance costs	21	15,521,587	12,064,749
	(f) Depreciation and amortisation expense	10	6,303,861	5,639,782
	(g) Other expenses	22	63,875,010	52,373,069
	<b>Total expenses</b>		406,140,659	329,273,237
5	<b>Profit/(Loss) before exceptional and extraordinary items and tax (3-4)</b>		42,690,041	33,099,145
6	Exceptional items		-	-
7	<b>Profit/(Loss) before extraordinary items and tax (5+6)</b>		42,690,041	33,099,145
8	Extraordinary items	23	-	2,055,458
9	<b>Profit/(Loss) before tax (7+8)</b>		42,690,041	31,043,687
10	Tax expense :			
	(a) Current tax expense for current year		10,600,000	7,013,904
	(b) Current tax expense relating to prior years		-	16,465
	(c) Net current tax expense		10,600,000	7,030,369
	(d) Deferred tax		2,371,620	3,612,314
			12,971,620	10,642,683
11	<b>Profit for the year</b>		29,718,421	20,401,004
12.i	<b>Earnings per share of face value of Rs. Each</b>			
	(a) Basic	24	5.87	4.49
	(b) Diluted		5.87	4.33
12.ii	<b>Earnings per share (excluding extraordinary items)</b>			
	face value of Rs. Each.	24		
	(a) Basic		5.87	4.94
	(b) Diluted		5.87	4.32
	<b>See accompanying notes forming part of the financial statements</b>	1 to 28		

In terms of our report attached attached

For **AMPAC & ASSOCIATES**  
Chartered Accountants

**M. J. Desai**  
Partner  
Membership No. 42769  
Firm Registration No. 112236W  
Mumbai  
Dated : 30<sup>th</sup> May, 2012.

For and on behalf of the Board Directors

Mr. Mukesh D. Naik  
Chairman & Managing Director

Uday Desai  
Mukesh Desai  
Director





**CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2012**

Particulars	For the year ended 31 March, 2012		For the year ended 31 March, 2012	
	Rs.	Rs.	Rs.	Rs.
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit / (Loss) before extraordinary items and tax	-	42,690,041	-	33,099,145
<b>Adjustments for :</b>				
Depreciation and amortisation	6,303,861	-	5,639,782	-
Provision for impairment of fixed assets and intangibles	1,481,878	-	-	-
(Profit)/loss on sale / write off or assets	639,879	-	-	-
Finance costs	15,521,587	-	12,268,740	-
Interest income	(899,612)	-	(159,657)	-
Dividend Income	(2,000)	-	-	-
		23,045,593	-	17,748,865
Operating profit / (loss) before working Capital changes		65,735,634		50,848,010
<b>Changes in working capital :</b>				
Adjustments for (increase) / decrease in operating assets :				
Inventories	(27,507,232)	-	(30,387)	-
Trade receivables	(30,468,290)	-	(62,552,548)	-
Short-term loans and advances	(3,805,324)	-	-	-
Other current assets	87,165	-	-	-
Adjustments for increase / (decrease) in Operating liabilities				
Trade payables	48,149,740	-	49,972,363	
Other current liabilities	16,115,484			
Short-term provisions	3,297,077			
Long term provisions	1,735,000			
		7,598,620		(12,610,572)
		73,334,254		38,237,438
Cash flow from extraordinary items			(2,055,458)	(2,055,458)
Cash generated from operations		73,334,254		36,181,980
Net Income Tax (paid) / refunds		(2,363,207)	(4,292,470)	(4,292,470)
		75,697,461		31,889,510
Bad Debts		-	-	(3,563,567)
<b>Net Cash flow from/ (used in) operating activities (A)</b>		75,697,461		28,325,943



Particulars	For the year ended 31 March, 2012		For the year ended 31 March, 2012	
	Rs.	Rs.	Rs.	Rs.
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Capital expenditure on fixed assets, including capital advances	(88,873,996)		(26,305,041)	
Proceeds from sale of fixed assets	65,000			
Purchase of long-term investments				
- Subsidiaries	(18,000,000)			
Interest received				
- Others	899,612		159,657	
Dividend received				
- Others	2,000			
		(105,907,384)		(26,145,384)
Cash flow from extraordinary items		-		-
		(105,907,384)		(26,145,384)
Net Income tax (Paid) / refunds		-		-
<b>Net cash flow from / used in) investing activities (B)</b>		(105,907,384)		(26,145,384)

Particulars	For the year ended 31 March, 2012		For the year ended 31 March, 2012	
	Rs.	Rs.	Rs.	Rs.
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Net Proceeds from issue of equity shares / Share warrants	3,375,000		2,812,500	
Proceeds from long-term borrowings	35,445,237		18,752,732	
Repayment of long-term borrowings	(16,276,556)			
Net increase / (decrease) in unsecured loan	5,197,465		(1,055,705)	
Net increase / (decrease) in working capital borrowings	18,305,858			
Finance cost	(14,800,595)		(11,316,301)	
		31,246,409		9,193,226
Cash flow from extraordinary items		31,246,409		9,193,226



Particulars	For the year ended 31 March, 2012		For the year ended 31 March, 2012	
	Rs.	Rs.	Rs.	Rs.
<b>Net cash flow from / (used in) financing activities (C)</b>				
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>		<b>1,036,486</b>		<b>11,373,785</b>
Cash and cash equivalents at the beginning of the year		12,623,319		1,162,369
Cash and cash equivalents at the end of the year		13,659,805		12,536,154
<b>Net increase / (decrease) in Cash and cash equivalents</b>		<b>1,036,486</b>		<b>11,373,785</b>
<b>Reconciliation of Cash and cash equivalents with the Balance Sheet:</b>				
Cash and cash equivalents as per Balance Sheet		13,659,805		12,536,154
Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3 Cash Flow Statements (give details)		-		-
Net Cash and cash equivalents (as defined in AS 3 Cash Flow Statements) included in Note 19		13,659,805		12,536,154
Add: Current investments considered as part of Cash and cash equivalents (as defined in AS 3 Cash Flow Statements) (Refer Note (ii) to Note 16 Current investments)		-		-
<b>Cash and cash equivalents at the end of the year *</b>		<b>13,659,805</b>		<b>12,536,154</b>
* Comprises:				
(a) Cash on hand		1,749,903		644,259
(b) Cheques, drafts on hand				
(c) Balances with banks				
(i) In current accounts		1,836,400		636,398
(ii) In earmarked accounts (give details) (Refer Note (ii) below)				
- Balances held as margin money or security against borrowings, guarantees and other commitments		10,073,502		11,255,497
		<b>13,659,805</b>		<b>12,536,154</b>
<b>See accompanying notes forming part of the financial statements</b>				

As per our report of even date attached

For **AMPAC & ASSOCIATES**  
Chartered Accountants**M. J. Desai**  
Partner  
Membership No. 42769  
Firm Registration No. 112236WMumbai  
Dated : 30<sup>th</sup> May, 2012.

For and on behalf of the Board

Mr. Mukesh D. Naik  
Chairman & Managing DirectorUday Desai  
Mukesh Desai  
Director



**NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS**

**Note 1 Share capital**

Particulars	As at 31 March 2012		As at 31 March 2011	
	Number of Shares	Rs	Number of Shares	Rs.
(a) Authorised Equity shares of Rs.10 each	5,500,000	55,000,000	5,500,000	55,000,000
(b) Issued Subscribed and Paid up Equity shares of Rs.10 each fully paid up	5,195,000	51,950,000	4,745,000	47,450,000
<b>Total</b>	<b>5,195,000</b>	<b>51,950,000</b>	<b>4,745,000</b>	<b>47,450,000</b>

**Note:**

- 1.1 In the financial year 2009-10, the Company had issued 320000 (Three Lakh Twenty Thousand) Equity Shares of Rs. 10/= each fully paid, to the promoter's group on preferential basis under Section 81(1A) of the Companies Act' 1956. The said shares are in lock-in-period up to 24th March' 2013.
- 1.2 In the financial year 2009-10, the Company had made preferential issue and allotted 825000 (Eight Lac Twenty Five Thousand) Optionally fully convertible warrant (OFCW) to the promoters group. Each warrant is convertible into 1 (One) fully paid-up Equity shares of the Company of face value Rs. 10/= each at exercisable price of Rs. 10/= each. The said OFCW was converted into equity shares to the promoters group as under:

Sr. No.	Number of warrant	Converted value	Date of Allotment	Lock-in-period
1.	375000	3750000	15/10/2010	up to 15/10/2013
2.	450000	4500000	14/07/2011	up to 14/07/2014

**Note 1a. Share Capital**

Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	Opening Balance	Fresh issue	Closing Balance
<b>Equity shares</b>			
Year ended 31 March, 2012			
- Number of shares	47,45,000	4,50,000	51,95,000
- Amount (Rs.)	4,74,50,000	45,00,000	5,19,50,000
Year ended 31 March, 2011			
- Number of shares	43,70,000	3,75,000	47,45,000
- Amount (Rs.)	4,37,00,000	37,50,000	4,74,50,000



Note 1.b Share capital (contd.)

**Details of shares held by each shareholder holding more than 5% shares:**

Class of shares / Name of shareholder	As at 31 March 2012		As at 31 March 2011	
	Number of Shares held	% holding in that class of shares	Number of Shares held	% holding in that class of shares
Equity shares with voting rights				
Mukesh Naik (Promoter)	11,64,800	22.42	8,14,800	18.65
Uday Desai (Promoter group)	11,02,400	21.22	6,88,400	15.74

**Note 2 Reserves and surplus**

Particulars	As at 31 March, 2012 Rs	As at 31 March, 2011 Rs
(a) General reserve		
Opening balance	5,000	5,000
Add: Transferred from surplus in Statement of Profit and Loss	-	-
Less: Utilised / transferred during the year for:	-	-
Closing balance	5,000	5,000
(b) Surplus in Statement of Profit and Loss		
Opening balance	4,64,15,234	2,60,14,230
Add: Profit for the year	2,97,18,421	2,04,01,004
Closing balance	7,61,33,655	4,64,15,234
<b>Total</b>	<b>7,61,38,655</b>	<b>4,64,20,234</b>

**Note 3 Long-term borrowings**

Particulars	As at 31 March, 2012 Rs	As at 31 March, 2011 Rs
(a) Term loans		
(i) From Banks		
Secured	4,75,74,699	2,87,52,699
	4,75,74,699	2,87,52,699
(ii) From other parties		
Secured	3,46,681	-
Unsecured from Non-Banking Financial Companies	86,47,465	-
	89,94,146	-
(b) Loans and advances from related parties		
Intercompany Deposit from group concern		
Unsecured	1,03,00,000	1,37,50,000
	1,03,00,000	1,37,50,000
<b>Total</b>	<b>6,68,68,845</b>	<b>4,25,02,699</b>

**Notes:**

(i) Details of terms of repayment for the other long-term borrowings and security provided in respect of the secured other long-term borrowings:

Particulars	Terms of repayment and security*	As at 31 March, 2012		As at 31 March, 2011	
		Secured Rs.	Unsecured Rs.	Secured Rs.	Unsecured Rs.
Term loans from banks: Saraswat Bank	(refer note 3.a.i)	5,00,76,809	-	2,89,68,715	-
Total - Term loans from banks		<b>5,00,76,809</b>	-	<b>2,89,68,715</b>	-
<u>Term loans from other parties:</u>					
NBFC Companies	(refer note 3.a.ii)	-	86,47,465		
Volkswagen Finance (Vehicle)		3,46,681			
Total - Term loans from other parties		<b>3,46,681</b>	<b>86,47,465</b>		
<u>Loans and advances from related parties:</u>					
Gita Naik	(refer note 3.a.iii)		8,00,000		
ICD from Vet Pharma Nitro Products Limited			95,00,000		1,37,50,000
Total - Loans and advances from related parties			<b>1,03,00,000</b>		<b>1,37,50,000</b>

**Note:**

- 3.a.i Term loan is availed from the bank is secured against the equitable mortgage of office premises, factory land , factory building , plant & machinery. It is also secured against the personal guarantee of one director and Corporate guarantee of group concern. The term loan is repayable in 60 instalments @ the rate of 14% per annum interest or PLR of the bank, whichever is higher.
- 3.a.ii Unsecured term loan from five NBFC is availed during the current year and will be repayable in 36 instalments. The said loan is availed for capital projects at the rate of 9.5% to 10.5% flat rate of interest. Vehicle loan is availed for 36 instalments at the rate of 11.64% per annum interest and is secured against hypothecation of vehicle.
- 3.a.iii Loans availed from the above referred related party were taken for the long term working capital requirements. The loan from Gita Naik is interest free and the ICD loan are taken at 12% per annum interest rate, which is not prejudicial to the interest of the Company. The said loans are payable for more than one year period and it is without any specific stipulation.



(ii) Details of long-term borrowings guaranteed by some of the directors or others:

Particulars	As at 31 March, 2012 Rs.	As at 31 March, 2011 Rs.
Bonds / debentures	Nil	Nil
Term loans from banks	5,00,76,809	2,89,68,715
Term loans from other parties	Nil	Nil
Deferred payment liabilities	Nil	Nil
Deposits	Nil	Nil
Loans and advances from related parties	Nil	Nil
Long-term maturities of finance lease obligations	Nil	Nil
Other loans and advances	Nil	Nil

(iii) The Company has not defaulted in repayment of loans and interest in respect of any of the secured or unsecured loans referred above.

(iv) For the current maturities of long-term borrowings, refer items (a) in Note 8 Other current liabilities.

#### Note 4 Deferred tax Liabilities

Particulars	As at 31 March, 2012 Rs.	As at 31 March, 2011 Rs.
Opening Balance	1,23,45,777	87,33,463
Add: Current Year	23,71,620	36,12,314
Total	1,47,17,397	1,23,45,777

Note: The details of the deferred tax liabilities and deferred tax assets are given in Note 27.4

#### Note 5 Long-term provisions

Particulars	As at 31 March, 2012 Rs.	As at 31 March, 2011 Rs.
(a) Provision for employee benefits: - Provision for gratuity (net) (Refer Note below)	17,35,000	-
Total	17,35,000	-

Note: During the year, the gratuities provision have been estimated as per own calculation.

**Note 6 Short-term borrowings**

Particulars	As at 31 March, 2012	As at 31 March, 2011
	Rs.	Rs.
(a) Loans repayable on demand Secured Working Capital loan from Saraswat Co-op Bank Ltd	6,29,34,292	4,46,28,434
<b>Total</b>	6,29,34,292	4,46,28,434

**Notes:**

- (i) Working capital loan is secured by way of hypothecation of stock and debtors. During the year, the company had availed the additional working capital loan from bank for Rs. 250 lacs.
- (ii) Details of short-term borrowings guaranteed by one of the director is as follows:

Particulars	As at 31 March, 2012	As at 31 March, 2011
	Rs.	Rs.
Loans repayable on demand from banks	6,29,34,292	4,46,28,434
Loans repayable on demand from other parties	Nil	Nil
Loans and advances from related parties	Nil	Nil
Deposits	Nil	Nil
Other loans and advances	Nil	Nil

- (iii) The Company has not defaulted in repayment of loans and interest in respect of the following:

Particulars	As at 31 March, 2012		As at 31 March, 2011	
	Period of default	Rs.	Period of default	Rs.
Loans repayable on demand from banks				
Principal		Nil		Nil
Interest		Nil		Nil
Loans repayable on demand from other parties				
Principal		Nil		Nil
Interest		Nil		Nil
Loans and advances from related parties				
Principal		Nil		Nil
Interest		Nil		Nil
Deposits				
Principal		Nil		Nil
Interest		Nil		Nil
Other loans and advances				
Principal		Nil		Nil
Interest		Nil		Nil



**Note 7 Trade payables**

Particulars	As at 31 March, 2012 Rs.	As at 31 March, 2011 Rs.
Trade payables:		
Micro, small & medium Enterprises	-	-
Others (Refer note below)	12,50,56,302	7,69,06,562
Total	12,50,56,302	7,69,06,562

**Note. :**

The Sundry Creditors includes for Capital Goods Rs.1,43,00,078/- (Previous Year Rs.72,74,389/-

**Note 8 Other current liabilities**

Particulars	As at 31 March, 2012 Rs.	As at 31 March, 2011 Rs.
(a) Current maturities of long-term debt (Refer Note (i) below)	1,91,64,776	8,484,016
(c) Interest accrued but not due on borrowings	7,20,992	466,343
(j) Other payables		
(i) Statutory remittances	2,400	2,525
(ii) Advances from customers	50,00,000	192,952
(iii) Advance from subsidiary Dynamic Metal	3,73,152	-
Total	2,52,61,320	9,145,836

Note (i): Please refer below for details of Current maturities of long-term debt and Refer Notes (i), (ii) and (iii) in Note 3 for Long-term borrowings for details of security and guarantee)

Particulars	As at 31 March, 2012 Rs	As at 31 March, 2011 Rs
Term loans		
(i) From banks		
Secured	1,36,78,000	84,84,016
	1,36,78,000	84,84,016
(ii) From other parties		
Secured (Vehicle loan)	2,45,491	-
Unsecured (NBFC)	52,41,285	-
	54,86,776	-
Total	1,91,64,776	84,84,016

Note (i): Current maturities of long term debts are the debts due within 1 year from the date of balance sheet and the details of Long term maturities with respect to rate of interest, securities and repayment are given in Note 3.a.

**Note 9 Short-term provisions**

Particulars	As at 31 March, 2012 Rs.	As at 31 March, 2011 Rs.
(a) Provision for employee benefits: Provision for gratuity (net)	-	-
(b) Provision - Others:		
(i) Provision for tax (net of advance tax & TDS Rs.9567628 as at 31 March, 2012)	88,63,929	47,45,417
(ii) Provision for Excise Duty	18,03,412	-
(iii) Provision for expenses	4,98,604	7,65,244
<b>Total</b>	<b>1,11,65,945</b>	<b>55,10,661</b>



**NOTE 10 : FIXED ASSETS**

A	Tangible assets	Gross Block							
		Balance as at 1 April 2011 Rs.	Additions Rs.	Disposals Rs.	Reclassified as held for sale Rs.	Effect of foreign currency exchange differences Rs.	Borrowing cost capitalised Rs.	Other adjustments Rs.	Balance as at 1 April 2012 Rs.
(a)	Land Leasehold	68,83,338	2,27,70,300	-	-	-	-	-	2,96,53,638
(b)	Buildings Own use	1,79,11,083	1,67,27,718	-	-	-	(18,12,172)	-	3,28,26,629
(c)	Plant and Equipment Owned	9,97,57,440	4,19,32,770	-	-	-	-	-	14,16,90,210
(d)	Furniture and Fixtures Owned	19,55,040	64,195	-	-	-	-	-	20,19,235
(e)	Vehicles Owned	17,79,228	10,94,982	(3,86,600)	-	-	-	-	24,87,610
(f)	Office Equipment Owned	12,43,401	75,506	-	-	-	-	-	13,18,907
(g)	Leasehold improvements	-	-	-	-	-	-	-	-
	Owned (Site Development)	8,03,728	6,19,362	-	-	-	-	-	14,23,090
(h)	Electrical Installations Owned	53,00,775	16,90,492	-	-	-	-	-	69,91,267
(i)	Laboratory equipment Owned	15,46,446	-	-	-	-	-	-	15,46,446
(j)	Computers Owned	6,42,214	2,01,699	-	-	-	-	-	8,43,913
	Total	13,78,22,693	8,51,024	(3,86,600)	-	-	(18,12,172)	-	22,08,00,945
	Previous Year	11,83,62,526	1,94,60,167	-	-	-	-	-	13,78,22,693

**NOTE 10 : FIXED ASSETS**

A	Tangible assets	Accumulated depreciation and impairment						Net Block	
		Balance as at 1 April 2011	Depreciation amortisation expense for the year	Eliminated on disposal of assets	Impairment losses recognised in statement of profit and loss	Other adjustments	Balance as at 31 March, 2012	Balance as at 31 March, 2012	Rs.
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
(a)	Land Leasehold	1,46,627	1,12,480	-	-	-	2,59,107	2,93,94,531	67,36,711
(b)	Buildings Own use	19,30,410	6,31,215	-	-	(11,77,123)	13,84,502	3,14,127	1,59,80,673
(c)	Plant and Equipment Owned	1,59,80,229	46,95,077	-	14,81,878	-	2,21,57,184	11,95,33,026	8,37,77,211
(d)	Furniture and Fixtures Owned	5,58,186	1,26,051	-	-	-	6,84,237	13,34,998	13,96,854
(e)	Vehicles Owned	9,37,557	2,08,523	(3,16,770)	-	-	8,29,310	16,58,300	8,41,671
(f)	Office Equipment Owned	3,55,341	61,505	-	-	-	4,16,846	9,02,061	8,88,060
(g)	Leasehold improvements								
	Owned (Site Development)	1,00,162	15,431	-	-	-	1,15,593	13,07,497	7,03,566
(h)	Electrical Installations Owned	8,03,847	2,65,304	-	-	-	10,69,151	59,22,116	44,96,928
(i)	Laboratory equipment Owned	4,59,925	73,657	-	-	-	5,33,582	10,12,864	10,86,521
(j)	Computers Owned	3,33,337	1,14,618	-	-	-	4,47,955	3,95,958	3,08,877
	Total	2,16,05,621	63,03,861	(3,16,770)	14,81,878	(11,77,123)	2,78,97,467	19,29,03,478	11,62,17,073
	Previous Year	1,18,45,591	41,20,247	-	-	-	1,59,65,838	11,62,17,073	10,23,96,688
B/	CWIP							1,91,517	79,02,701

Note:

- (i) During the year, the Company has demolished the part of the factory building being very old and the effect is given in the other adjustment for reducing the cost of the asset. Accordingly, the depreciation has been reversed.
- (ii) During the year, the Company has estimated the impairment on plant & machinery, which was corrosive in nature and the impairment was debited to profit & loss account.
- (iii) Vehicles are in the personal name of director.
- (iv) Company does not have any intangible assets.
- (v) The addition of fixed assets include the interest capitalised during construction period for Rs. 34,05,249/= (Previous year Rs. 10,05,512/=) for details refer to Note No.27.2 under disclosure of Accounting standards.
- (vi) In case of leasehold land (a) above, the Company has following balance period of lease.

Particulars	Balance Period
Factory land- 1 MIDC Tarapur	73 years
Factory land- 2 MIDC Tarapur	70 years
Factory land- 3 MIDC Tarapur	73 years



**C. Depreciation and amortisation relating to continuing operations:**

Particulars	For the year ended 31 March, 2012 Rs.	For the year ended 31 March, 2011 Rs.
Depreciation and amortisation for the year on tangible assets as per Note 9.a	63,03,861.00	41,20,247.00
Depreciation and amortisation for the year on intangible assets	-	-
Less: Utilised from revaluation reserve	-	-
Depreciation and amortisation relating to discontinuing operations	-	-
Depreciation and amortisation relating to continuing operations	63,03,861.00	41,20,247.00

**Notes:**

(i) Details of amounts written off on reduction of capital or revaluation of assets or sums added to assets on revaluation during the preceding 5 years:

Particulars	Year				
	31-Mar-12 Rs.	31-Mar-11 Rs.	31-Mar-10 Rs.	31-Mar-09 Rs.	31-Mar-08 Rs.
Fixex Assets					
Opening Balance	-	-	-	-	-
Written off on reduction of capital	-	-	-	-	-
Date	-	-	-	-	-
Amount	-	-	-	-	-
Written off on revaluation	-	-	-	-	-
Date	-	-	-	-	-
Amount	-	-	-	-	-
Added on revaluation	-	-	-	-	-
Date	-	-	-	-	-
Amount	-	-	-	-	-
Balance as at 31 March	-	-	-	-	-

**C. Depreciation and amortisation relating to continuing operations:**

<b>Particulars</b>	<b>For the year ended 31 March, 2012 Rs.</b>
Depreciation and amortisation for the year on tangible assets as per Note 9.a	63,03,861.00
Depreciation and amortisation for the year on intangible assets	-
Less: Utilised from revaluation reserve	-
Depreciation and amortisation relating to discontinuing operations	-
Depreciation and amortisation relating to continuing operations	63,03,861.00

Notes:

- (i) There are no amounts written off on reduction of capital or revaluation of assets or sums added to assets on revaluation during the preceding 5 years:
- (ii) Details of assets acquired under hire purchase agreements :

<b>Particlars</b>	<b>Gross Block</b>		<b>Net Bock</b>	
	31-Mar-12 Rs.	31-Mar-11 Rs.	31-Mar-12 Rs.	31-Mar-11 Rs.
	Nil	Nil	Nil	Nil

- (iii) Details of assets jointly owned by the Company

<b>Particlars</b>	<b>Extent of ownership</b>	<b>Proportion of the original cost</b>		<b>Accumulated depreciation</b>	<b>Net block</b>
		31-Mar-12 Rs.	31-Mar-11 Rs.	31-Mar-12 Rs.	31-Mar-11 Rs.
		Nil	Nil	Nil	Nil

**Note 11 Non-current investments**

Particulars	Total Rs.	Total Rs.
Investments (At cost):		
A. <u>Trade</u>		
(a) Investment in equity instruments		
In subsidiaries		
Dynamic Metal Powders Pvt Ltd		
(100% subsidiary - Unquoted)	1,80,00,000.00	-
10,000 Equity Shares of Rs.100 each		
fully paid (refer note below)		
<b>Total - Trade (A)</b>	<b>1,80,00,000.00</b>	<b>-</b>
B. <u>Other investments</u>		
Investment in equity instruments(unquoted)		
(i) of Saraswat Co-op Bank Ltd	15,400.00	15,400.00
1540 Equity shares of Rs.10 each fully paid		
(ii) of Tarapur Environment Protection Society	2,400.00	2,400.00
24 Equity shares of Rs.100 each fully paid		
<b>Total - Other investments (B)</b>	<b>17,800.00</b>	<b>17,800.00</b>
<b>Total (A+B)</b>	<b>1,80,17,800.00</b>	<b>17,800.00</b>
Less: Provision for diminution in value of investments	-	-
<b>Total</b>	<b>1,80,17,800.00</b>	<b>17,800.00</b>
Aggregate amount of unquoted investments	1,80,17,800.00	17,800.00

During the year, the Company has acquired the 100% subsidiary viz. Dynamic metal Powders Private Limited. The investment date is 1st October' 2011. The Holding has acquired the total equity of subsidiary for Rs. 1,80,00,000/= which is 10,000 equity shares of Rs. 100 each at premium for Rs.1700/= per share.

**Note 12 Inventories**

Particulars	As at 31 March, 2012	As at 31 March, 2011
	Rs.	Rs.
(a) Raw materials	2,77,71,118	1,59,87,070
Goods-in-transit	49,10,107	91,30,926
	3,26,81,225	2,51,17,996
(b) Work-in-progress	1,91,75,267	14002537
	1,91,75,267	1,40,02,537
(c) Finished goods (other than those acquired for trading)	1,57,01,722	13,33,211
	1,57,01,722	13,33,211
(g) Fuel & Packing Material	6,46,750	2,43,988
	6,46,750	2,43,988
<b>Total</b>	<b>6,82,04,964</b>	<b>4,06,97,732</b>

Note: The inventories are valued "at lower of cost and net realisable value". Since the bulk drug industry involves many stages of manufacturing process, it is not possible to furnish the details of work in progress of each products.

**Note 13 Trade receivables**

Particulars	As at 31 March, 2012	As at 31 March, 2011
	Rs.	Rs.
(a) Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Secured, considered good	-	-
Unsecured, considered good	34,60,934	35,01,970
Doubtful	-	-
	34,60,934	35,01,970
Less: Provision for doubtful trade receivables	-	-
	34,60,934	35,01,970
Other Trade receivables		
Secured, considered good	-	-
Unsecured, considered good	11,71,34,907	8,66,25,581
Doubtful	-	-
	11,71,34,907	8,66,25,581
Less: Provision for doubtful trade receivables	-	-
	11,71,34,907	8,66,25,581
<b>Total</b>	<b>12,05,95,841</b>	<b>9,01,27,551</b>





**Note: Trade receivables include debts due from:**

Particulars	As at 31 March, 2012 Rs.	As at 31 March, 2011 Rs.
Directors	Nil	Nil
Other officers of the Company	Nil	Nil
Firms in which any director is a partner (give details per firm)	Nil	Nil
Private companies in which any director is a director or member (give details per company)	Nil	Nil
<b>Total</b>	<b>Nil</b>	<b>Nil</b>

**Note 14 Cash and cash equivalents**

Particulars	As at 31 March, 2012 Rs.	As at 31 March, 2011 Rs.
(a) Cash on hand	17,49,903	6,44,259
(c) Balances with banks		
(i) In current accounts	18,36,400	6,36,398
(ii) In earmarked accounts		
- Balances held as margin money or security against borrowings, guarantees and other commitments (Refer Note (i) below)	1,00,73,502	1,12,55,497
<b>Total</b>	<b>1,36,59,805</b>	<b>1,25,36,154</b>
Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 Cash Flow Statements	1,36,59,805	1,25,36,154

Notes:

(i) Balances with banks include deposits held as margin monies amounting to Rs. 1,00,73,502/= (As at 31 March, 2011 Rs. 11255497/=) which have an original maturity of more than 12 months.



**Note 15 Short-term loans and advances**

Particulars	As at 31 March, 2012 Rs.	As at 31 March, 2011 Rs.
(a) Security deposits (refer note 1 below)		
Secured, considered good	-	-
Unsecured, considered good	8,79,271	8,52,571
Doubtful	-	-
	8,79,271	8,52,571
Less: Provision for doubtful deposits	8,79,271	8,52,571
(c) Loans and advances to employees		
Secured, considered good	-	-
Unsecured, considered good	20,60,605	12,53,700
Doubtful	-	-
	20,60,605	12,53,700
Less: Provision for doubtful loans and advances	20,60,605	12,53,700
(d) Prepaid expenses - Unsecured, considered good	46,840	24,490
(e) Balances with government authorities		
Unsecured, considered good		
(i) CENVAT credit receivable/refundable	99,18,093	69,64,085
(ii) VAT credit receivable/refundable	81,57,672	60,29,312
	1,80,75,765	1,29,93,397
(g) Advances to creditors		
Secured, considered good		
Unsecured, considered good	11,91,870	33,24,869
Doubtful		
	11,91,870	33,24,869
Less: Provision for other doubtful loans and advances	11,91,870	33,24,869
Total	2,22,54,351	1,84,49,027

Note: Short-term loans and advances include amounts due from:

Particulars	As at 31 March, 2012 Rs.	As at 31 March, 2011 Rs.
Directors *	Nil	Nil
Other officers of the Company *	Nil	Nil
Firms in which any director is a partner (give details per firm)	Nil	Nil
Private companies in which any director is a director or member (give details per company)	Nil	Nil
	Nil	Nil

Note:

1 Security deposit includes balances with public bodies including Government and regular deposit.

**Note: 16 Other current assets**

Particulars	For the Year Ended 31.03.2012 Rs.	For the Year Ended 31.03.2011 Rs.
<b>Accruals :</b>		
Interest accrued on deposits	-	87,165
<b>Total</b>	-	87,165

**Note: 17 Revenue from Operations**

Particulars	For the Year Ended 31.03.2012 Rs.	For the Year Ended 31.03.2011 Rs.
(a) Sale of products (Refer Note (i) below)	46,45,77,249	37,03,30,551
(b) Sale of services (Refer Note (ii) below)	1,65,64,193	1,71,01,565
Less:	48,11,41,442	38,74,32,116
(d) Excise duty	3,40,09,557	2,59,04,965
<b>Total</b>	44,71,31,885	36,15,27,151

Particulars	For the Year Ended 31.03.2012 Rs.	For the Year Ended 31.03.2011 Rs.
<b>Note :</b>		
(i) Sale of products comprises:		
<u>Manufactured goods</u>		
Active Pharma Ingredients Intermediates (Bulk Drug)	45,33,25,749	33,06,13,651
Active Pharma Ingredients (Bulk Drug)	1,12,51,500	1,75,85,000
<b>Total - Sale of manufactured goods</b>	46,45,77,249	34,81,98,651
<u>Traded goods</u>		
Active Pharma Ingredients Intermediates (Bulk Drug)	-	2,21,31,900
<b>Total - Sale of traded goods</b>	-	2,21,31,900
<b>Total - Sale of products</b>	46,45,77,249	37,03,30,551
(ii) Sale of services comprises:		
Job work for manufacturing of Active Pharma Ingredients	1,65,64,193	1,71,01,565
<b>Total - Sale of services</b>	1,65,64,193	1,71,01,565

**Note: 18 Other income**

Particulars	For the Year Ended 31.03.2012 Rs.	For the Year Ended 31.03.2011 Rs.
(a) Interest income (Refer Note (i) below)	8,99,612	1,57,657
(b) Dividend income: from long-term investments	2,000	2,000
(c) Net gain on foreign currency transactions and translation (other than considered as finance cost)	7,97,203	-
(d) Trade payable written off	-	6,22,957
(e) Discount received	-	21,785
(f) Duty drawback	-	40,832
<b>Total</b>	<b>16,98,815</b>	<b>8,45,231</b>

Particulars	For the Year Ended 31.03.2012 Rs.	For the Year Ended 31.03.2011 Rs.
<b>Notes</b>		
(i) Interest income comprises: Interest from banks on: deposits (held as margin money against Letter of Credit/ Bank Guarantee)	8,99,612	1,57,657
<b>Total - Interest income</b>	<b>8,99,612</b>	<b>1,57,657</b>

**Note: 19.a Cost of materials consumed**

Particulars	For the Year Ended 31.03.2012 Rs.	For the Year Ended 31.03.2011 Rs.
Opening stock	2,51,17,996	96,97,955
Add: Purchases	32,99,99,432	22,29,17,563
	35,51,17,428	23,26,15,518
Less: Closing stock	2,77,71,118	1,59,87,070
Less: Stock -in-transit	49,10,107	91,30,926
<b>Cost of material consumed</b>	<b>32,24,36,203</b>	<b>20,74,97,522</b>
Material consumed comprises:		
Liquid Bromine	6,26,73,297	2,48,24,278
Alkalies	98,91,062	66,88,945
Brominative Compound	3,57,04,868	2,55,06,946
Toluene	3,36,40,133	1,24,32,860
Fine Chemicals & Others	18,05,26,843	13,80,44,493
<b>Total</b>	<b>32,24,36,203</b>	<b>20,74,97,522</b>



Particulars	For the Year Ended 31.03.2012		For the Year Ended 31.03.2011	
	%age	Rs.	%age	Rs.
Material Consumed:				
Imported	21.24	6,84,74,367	10.76	2,23,24,353
Indigenous	78.76	25,39,61,836	89.24	18,51,73,169
	100.00	32,24,36,203	100.00	20,74,97,522

**Note: 19.b Purchase of traded goods**

Particulars	For the Year Ended 31.03.2012	For the Year Ended 31.03.2011
	Rs.	Rs.
Active Pharma Ingredients Intermediates (bulk Drug)	-	21,912,450
Total	-	21,912,450

**Note: 19.c Changes in inventories of finished goods, work-in-progress and stock-in-trade**

Particulars	For the Year Ended 31.03.2012	For the Year Ended 31.03.2011
	Rs.	Rs.
<u>Inventories at the end of the year:</u>		
Finished goods	1,57,01,722	13,33,211
Work-in-progress	1,91,75,267	1,40,02,537
Stock-in-trade	-	
	3,48,76,989	1,53,35,748
<u>Inventories at the beginning of the year:</u>		
Finished goods	13,33,211	78,45,662
Work-in-progress	1,40,02,537	2,23,44,761
Stock-in-trade	-	
	1,53,35,748	3,01,90,423
<b>Net (increase) / decrease</b>	<b>(1,95,41,241)</b>	<b>1,48,54,675</b>

**Note: 20 Employee benefits expense**

Particulars	For the Year Ended 31.03.2012	For the Year Ended 31.03.2011
	Rs.	Rs.
(a) Salaries and wages (refer note i)	1,45,07,086	1,39,99,380
Contributions to provident and other funds (Refer Note ii & iii)	17,35,000	
Staff welfare expenses	13,03,153	9,31,610
<b>Total</b>	<b>1,75,45,239</b>	<b>1,49,30,990</b>

- (i) Salaries and wages include: Salaries, wages, bonus, compensated absences and all other amounts payable to employees in respect of services rendered as per their employment terms under a contract of service / employment.
- (ii) The employee's provident fund Rules are not applicable to the Company, as the Company employs the contracted labour for production and the contractor is deducting the dues as per provident fund rules. The Companies own staff is outside the limit set out by the provident fund Rules.
- (iii) The gratuities is applicable for the first time as previously the number of employees were outside the permissible limit. The said provision is reckoned from the date of joining to year end. Out of the said provision of Rs. 17,35,000/-, Rs. 16,27,670/= is pertaining to earlier years. However it is not reported under prior period, as it is recognised first time.

**Note: 21 Finance costs**

Particulars	For the Year Ended 31.03.2012	For the Year Ended 31.03.2011
	Rs.	Rs.
(a) Interest expense on:		
(i) Borrowings	1,33,88,766	1,01,72,399
(ii) Trade payables	-	-
(iii) Others		
- Interest on delayed / deferred payment of income tax	6,45,000	4,86,096
(b) Other borrowing costs		
- Bank Charges	14,87,821	14,06,254
<b>Total</b>	<b>1,55,21,587</b>	<b>1,20,64,749</b>

@ Other borrowing costs includes loan processing charges, guarantee charges, incurred in connection with borrowings etc.

**Note: 22 Other Expenses**

Particulars	For the Year Ended 31.03.2012	For the Year Ended 31.03.2011
	Rs.	Rs.
Consumption of stores and spare parts	4,77,270	5,69,992
Consumption of packing materials	31,00,461	25,95,212
Increase / (decrease) of excise duty on inventory	18,03,412	-6,70,782
Processing Charges	1,92,58,128	1,36,10,538
Power and fuel	1,71,12,737	1,24,11,066
Water *	5,01,643	5,14,603
Rent including lease rentals	3,66,000	4,56,000
Repairs and maintenance - Buildings	4,18,611	9,87,973
Repairs and maintenance - Machinery	37,45,040	58,00,687
Insurance	2,27,795	4,84,144
Rates and taxes	1,11,610	84,700
Communication	4,52,799	3,05,925
Travelling and conveyance	5,54,932	4,16,936
Printing and stationery	3,00,371	2,90,949
Freight and forwarding	14,71,541	23,80,128
Sales commission	29,99,371	15,58,980
Sales discount	2,76,589	-
Business promotion	7,14,264	6,85,035
Donations and contributions	98,501	82,025
Legal and professional	19,40,793	5,20,012
Payments to auditors (Refer Note (i) below)	3,07,500	1,57,500
Bad trade and other receivables, loans and advances written off	-	35,63,567
Net loss on foreign currency transactions and translation (other than considered as finance cost)	-	2,03,991
Loss on fixed assets sold / scrapped / written off	6,39,879	-
Provision for impairment of fixed assets and intangibles (net)	14,81,878	-
Prior period items (net) (Refer Note (ii) below)	62,984	55,845
Miscellaneous expenses	54,50,901	53,08,043
<b>Total</b>	<b>6,38,75,010</b>	<b>5,23,73,069</b>



**Notes**

<b>Particulars</b>	<b>For the Year Ended 31.03.2012</b>	<b>For the Year Ended 31.03.2011</b>
	<b>Rs.</b>	<b>Rs.</b>
(i) Payments to the auditors comprises (net of service tax input credit, where applicable):		
As auditors - statutory audit	2,50,000	1,25,000
For taxation matters	25,000	25,000
For other services	25,000	-
Reimbursement of expenses	7,500	7,500
<b>Total</b>	<b>3,07,500</b>	<b>1,57,500</b>
(ii) Details of Prior period items (net)		
Prior period expenses (Revenue expenditure of previous year)	62,984	55,845
Prior period income	-	-
<b>Total</b>	<b>62,984</b>	<b>55,845</b>

**Note: 23 Extraordinary Items**

<b>Particulars</b>	<b>For the Year Ended 31.03.2012</b>	<b>For the Year Ended 31.03.2011</b>
	<b>Rs.</b>	<b>Rs.</b>
Earlier year B.S.T./C.S.T. Paid	-	2,055,458
<b>Total</b>	<b>-</b>	<b>2,055,458</b>



**Note: 24 Disclosures under Accounting Standards**

Particulars	For the Year Ended 31.03.2012	For the Year Ended 31.03.2011
	Rs.	Rs.
<b>Earnings per share</b>		
Net profit for the year	2,97,18,421	2,04,01,004
Weighted average number of equity shares Outstanding (Nos.)	50,63,750	45,42,603
Weighted average number of equity shares Outstanding - Dilutive (Nos.)	50,63,750	51,95,000
Par value per share	10	10
Earnings per share Basic	5.87	4.49
Earnings per share Diluted	5.87	4.33
<b>Earnings per share (excluding extraordinary items)</b>		
Net profit for the year	2,97,18,421	2,24,56,462
Weighted average number of equity shares Outstanding (Nos.)	50,63,750	45,42,603
Weighted average number of equity shares Outstanding - Dilutive (Nos.)	50,63,750	51,95,000
Par value per share	10	10
Earnings per share Basic	5.87	4.94
Earnings per share Diluted	5.87	4.32

Note	Particulars
<b>25 Corporate information</b>	The Company is presently manufacturing bulk drug products and their intermediates, human Active Pharma ingredients (API) products. In the current year, the Company has achieved the manufacturing sale of Rs. 46,45,77,249/= and by way of job process activities of manufacturing various API of reputed Companies for Rs. 1,65,74,868/=. The manufacturing facilities are located at MIDC, Tarapur, District, Thane and all other activities are carried on from the Registered office located at Mumbai.
<b>26 Significant accounting policies</b>	
<b>26.1 Accounting Convention:</b>	The financial statements are prepared under the Historical Cost Convention on a Going Concern basis The Company generally follows the Mercantile System of Accounting and recognises Income and Expenditure on Accrual basis excepts those with significant uncertainties and is consistent with generally accepted accounting principles. The significant accounting policies followed by the Company are stated below:



**26.2 Use of estimates:**

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reported period. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

**26.3 Tangible fixed assets**

Fixed assets are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets includes interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use and other incidental expenses incurred up to that date. Exchange differences arising on restatement / settlement of long-term foreign currency borrowings relating to acquisition of depreciable fixed assets are adjusted to the cost of the respective assets and depreciated over the remaining useful life of such assets. Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets. Subsequent expenditure relating to fixed assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Fixed assets acquired and put to use for project purpose are capitalised and depreciation thereon is included in the project cost till commissioning of the project.

Capital work-in-progress:

Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

**26.4 Depreciation:**

Depreciation of Fixed Assets is charged on 'Straight Line Method' as per Schedule XIV to the Companies Act, 1956.

Leasehold land is amortized over the period of lease

**26.5 Impairment of Assets:**

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the profit and loss Account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

**26.6 Investments:**

Long-term investments (excluding investment properties), are carried individually at cost less



provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties. Investment properties are carried individually at cost less accumulated depreciation and impairment, if any. Investment properties are capitalised and depreciated (where applicable) in accordance with the policy stated for Tangible Fixed Assets. Impairment of investment property is determined in accordance with the policy stated for Impairment of Assets.

**26.7 Inventories:**

Inventories are valued at the lower of cost or estimated net realizable value. Cost of finished goods includes cost of material; direct labour, direct expenses and production overheads except depreciation.

**26.8 Preliminary and Share Issue Expenses:**

Preliminary and Share Issue Expenses are amortised proportionately over a period of 5 years.

Preoperative expenses have been amortised over a period of 5 years.

**26.9 Employee Benefits:**

- i. Gratuities liabilities are worked out as per own estimates.
- ii. The provident fund Rules are not applicable to the Company.

**26.10 Taxes on Income:**

**Current tax**

Provision for Income Tax is determined in accordance with the provisions of the Income Tax Act, 1961.

**Deferred tax Provision**

Deferred tax assets and liabilities arising on account of timing differences, being the difference between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods, are recognized using the tax rates and tax laws that have been enacted.

**26.11 Segment Reporting:**

The Company operates only in one segment viz. Bulk Drugs Intermediates and hence there are no other reportable segments as per the Accounting Standard 17.

**26.12 Borrowing Cost**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.



**26.13 Financial Derivatives:**

Financial derivatives contracts are accounted on the date of their settlement and realized gain / loss, if any, in respect of settled contract are recognized in the profit and loss account, along with the underlying transactions.

**26.14 Foreign Currency Transactions:**

Transactions in foreign currencies, to the extent not covered by forward contracts, are accounted at exchange rates prevailing at the time of the transactions are affected and expressed at the year-end exchange rates. Any other exchange differences except relating to Fixed Assets are dealt with in the Profit and Loss Account. Non-monetary foreign currency items, if any, are carried at cost.

**Export Incentive**

The export made through merchant exporter, the company is eligible for export incentive in the form of license, which company utilizes for import of raw materials, which is accounted for duty exemption. The unutilized part of the license is sold in the market. Company accounts such sale under the head other income. The accounting of export incentive is recognized on accrued basis. The sale of such license and benefit accrued thereon is accounted in sales.

**26.15 Provision, Contingent Liabilities and Contingent Assets:**

Provision involving substantial degree of estimation in measurement is recognized when there is present obligation as result of past events and it is probable that will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes.

**26.16 Cash and cash equivalents (for purposes of Cash Flow Statement)**

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

**26.17 Cash flow statement**

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

**26.18 Earnings per share**

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the



profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

#### 26.19 Insurance claims

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that there is no uncertainty in receiving the claims.

#### 26.20 Service tax input credit

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is no uncertainty in availing / utilising the credits.

#### Note 27 Disclosures under Accounting Standards

Note	Particulars
27.1	<p><b>Employee benefit:</b></p> <ul style="list-style-type: none"> <li data-bbox="357 1368 1386 1509">i. Gratuities liabilities are worked out as per own estimates. This being the first year, the Company is in process of complying the gratuities Act. The actuary valuer will be appointed and accordingly Company will fund the defined contribution plan. Since the Company has 13 employees, the amount is not material.</li> <li data-bbox="357 1559 1386 1700">ii. The provident fund Rules are not applicable to the Company, as the Company employs the contracted labour for production and the contractor is deducting the dues as per provident fund rules. The Companies own staff is outside the limit set out by the Provident fund Rules.</li> <li data-bbox="357 1749 1386 1809">iii. The employee state insurance scheme does not apply to the employee's of the Company during the year.</li> </ul>

**Note: 27.2 Disclosures under Accounting Standards**

Particulars	For the Year Ended 31.03.2012 Rs.	For the Year Ended 31.03.2011 Rs.
<b>Details of borrowing costs capitalised</b> Borrowing costs capitalised during the year - as fixed assets/ capital work-in-progress	3405249	1005512
<b>Total</b>	<b>3405249</b>	<b>1005512</b>

**Note:**

During the year the Company has availed the fresh term loan from bank and NBFC for financing the capital projects. The interest during construction period are capitalised during the year includes, building Rs. 50,535/=(Previous Year Rs. 2,32,312), for plant & machinery Rs. 29,39,728/=(Previous year Rs. 773200/=) and processing charges to plant & machinery for Rs. 4,14,986/=. The said interest was initially capitalised to capital work in progress, subsequently, the transferred to particular asset on the date of commission or put to use.

**Note: 27.3 Related party transactions****27.3 Related party transactions****27.3a Details of related parties :**

Description of relationship	Names of related parties
Subsidiaries Key Management Personnel (KMP) Relatives of KMP Company in which KMP / Relatives of KMP can exercise significant influence	Dynamic Metal powders Private Limited Mukesh Naik, Uday Desai & Dilip Pimple Gita Naik, Nirmala Naik Vet-Pharma Nitro Products Limited, Uday Chemical Engg. & projects Ltd

Note: Related parties have been identified by the Management.



**Details of related party transactions during the year ended 31 March, 2012 and balances outstanding as at 31 March, 2012:**

27.3b	Subsidiaries	Company in which KMP/ Relatives of KMP can exercise significant influence	KMP	Relatives of KMP	Total
Material Purchases	-	-	-	-	-
	-	(2,19,12,450)	-	-	(2,19,12,450)
Receiving of services - Job Processing, rent paid & supply of labour	-	2,86,11,721	3,66,000	96,000	2,90,73,721
	-	(1,79,54,017)	(3,60,000)	(96,000)	(1,84,10,017)
Borrowings - ICD & unsecured	-	95,00,000		8,00,000	1,03,00,000
	-	(1,37,50,000)		(8,00,000)	(1,45,50,000)
Interest on Borrowings ICD	-	16,50,328	-	-	16,50,328
	-	(1705729)	-	-	(17,05,729)
Guarantees and collaterals	-	-	refer note below	-	-
Director Remuneration	-	-	35,03,000		35,03,000
	-	-	(34,75,000)		(34,75,000)
Investment in Subsidiary	1,80,00,000	-	-		1,80,00,000
Advances received for Job work/others	3,73,152	-	50,00,000	-	53,73,152
	-	-	(50,00,000)	-	(50,00,000)
Issue of Equity	-	-	41,60,000	3,40,000	45,00,000
	-	-	(34,80,000)	(2,70,000)	(37,50,000)
<b><u>Balances outstanding at the end of the year</u></b>					
Advances	3,73,152	-	50,00,000	-	53,73,152
Trade payables	-	74,76,952	-	-	74,76,952
	-	(35,65,056)	-	-	(35,65,056)
Borrowings	-	95,00,000	-	8,00,000	1,03,00,000
	-	(1,37,50,000)	-		(1,37,50,000)

Note: Figures in bracket relates to the previous year

Corporate Guarantee is given by Vet-Pharma Nitro Products to Bank against the term loan and working capital utilised by the bank, in addition to the personal guarantee by the Managing Director.



**Note: 27.4 Disclosures under Accounting Standards**

Particulars	For the Year Ended 31.03.2012	For the Year Ended 31.03.2011
	Rs.	Rs.
<b>Deferred tax (liability) / asset</b>	(1,23,45,777)	(87,33,463)
<b>Tax effect of items constituting deferred tax liability</b>		
On difference between book balance and tax balance of fixed assets	(29,42,675)	(36,15,208)
Tax effect of items constituting deferred tax liability	(29,42,675)	(36,15,208)
<b>Tax effect of items constituting deferred tax assets</b>		
Provision for gratuity	5,62,921	
Prepaid expenses	8,134	2894
Tax effect of items constituting deferred tax assets	5,71,055	2,894
<b>Net deferred tax (liability) / asset</b>	(1,47,17,397)	(1,23,45,777)

**Note: The Company has recognised deferred tax liability on the difference between the book balance and the written down value of fixed assets under Income Tax.**

**Note: 28 Additional information to the financial statements**

Particulars	For the Year Ended 31.03.2012	For the Year Ended 31.03.2011
	Rs.	Rs.
<b>28.1 Contingent liabilities and commitments</b> (to the extent not provided for)		
(i) Contingent liabilities		
(a) Bank Guarantees	25,000	25,000
(b) Letter of credit outstanding	2,64,28,691	2,25,11,727
(c) Pending claim from Commissioner of Workmen Compensation (refer note below)	2,14,000	-
	<b>For the Year Ended 31.03.2012</b>	<b>For the Year Ended 31.03.2011</b>
	<b>Rs.</b>	<b>Rs.</b>
(ii) Commitments		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for Tangible assets	14,50,000	Nil
	14,50,000	Nil

Note: The pending claim from Commissioner of Workmen may levy penalty, the amount is not certain.



**28.2 Details of unutilised amounts out of issue of securities made for specific purpose**

In the current year, pending number of share warrant has been converted into equity share. It was utilised for the expansion projects and there are no unutilised amount pending against the proceeds of the said share warrant.

**28.3 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006**

Amounts dues to Micro and Small Enterprises are not available. However, no amount is paid as interest for the late payments, which are exceeding for Rs. 1,00,000/= & overdue.

**28.4 Disclosure as per Clause 32 of the Listing Agreements with the Stock Exchanges**

There are no loans and advances in the nature of loans given to subsidiaries, associates and others and investment in shares of the Company by such parties.

**28.5 Disclosure required in terms of Clause 13.5A of Chapter XIII on Guidelines for preferential issues, SEBI (Disclosure and Investor Protection) Guidelines, 2000**

Particulars	During the year ended 31st March, 2012 Rs.
Total amount received from issue of warrants	37,50,000
Purpose for which the money received has been utilized :	
a. Capital expenditure	37,50,000
b. Working capital	37,50,000
Unutilised monies as at 31 March, 2012	-

**28.6 Value of Imports on CIF basis :**

Particulars	For the Year Ended 31.03.2012 Rs.	For the Year Ended 31.03.2011 Rs.
(a) Raw materials	3,16,45,268	79,88,423
Components	-	-
Spare parts	-	-
Total Components and spare parts	-	-
Capital goods	-	-



**Expenditure in Foreign Currency**

28.7	Particulars	For the Year Ended 31.03.2012	For the Year Ended 31.03.2011
		Rs.	Rs.
	Royalty	-	-
	Know-how	-	-
	Professional and consultation fees	-	-
	Interest	-	-
	Other matters	-	-
28.8	<b>Details of consumption of imported and indigenous items</b>		
		For the Year Ended 31.03.2012	
		Rs.	%
	<u>Imported</u>		
	Raw materials	68474367 (22324353)	21.24 (10.76)
	Total	68474367 (22324353)	21.24 (10.76)
	<u>Indigenous</u>		%
	Raw materials	253961836 (185173169)	78.76 (89.24)
	Total	253961836 (185173169)	78.76 (89.24)

Note: Figures / percentages in brackets relates to the previous year

28.9	Earnings in foregin exchange	For the Year Ended 31.03.2012	For the Year Ended 31.03.2011
		Rs.	Rs.
	Export of goods calculated on FOB basis	7,77,292	72,78,083
	Royalty, know-how, professional and consultation fees	-	-
	Interest and dividend	-	-
	Other income, indicating the nature thereof.	-	-



- 28.10 The debit and credit balances in the accounts of contractors, suppliers and debtors are subject to confirmation and reconciliation.
- 28.11 In the opinion of the Board and to the best of their knowledge and belief, the value of realisation of current assets, loans & advances, in the ordinary course of business would not be less than amount at which they are stated in the Balance sheet
- 28.12 The Company operates only in one segment viz, Bulk drugs and their intermediate products, hence there are no other reportable segments as per the Accounting Standard 17.
- 28.13 The Revised Schedule VI has become effective from 1 April, 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

As per our report of even date attached

For **AMPAC & ASSOCIATES**  
Chartered Accountants

**M. J. Desai**  
Partner  
Membership No. 42769  
Firm Registration No. 112236W  
Mumbai  
Dated : 30<sup>th</sup> May, 2012.

For and on behalf of the Board

Mr. Mukesh D. Naik  
Chairman & Managing Director

Uday Desai  
Mukesh Desai  
Director



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**AUDITOR'S REPORT**

**The Board of Directors**

**Nutraplus India Limited**

**(Previously Known as Nutraplus Products (India) Limited)**

1. We have audited the attached consolidated Balance Sheet of Nutraplus India Limited (Previously Known as Nutraplus Products (India) Limited)(the Company) and its subsidiaries (collectively referred to as "the Group"), as at 31st March 2012 and also the consolidated Profit and Loss Account of the Company for the year ended on that date. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. Financial statements / consolidated financial statements of one subsidiary, which reflect total assets of Rs. 16,54,732 as at 31st March, 2012, total revenue of Rs. 7,78,776/=, Net Loss of Rs. 35,604/= and net cash flows amounting to 4,09,154/= for the year then ended, have been audited by us for the purpose of consolidation.
4. We report that the consolidated financial statements have been prepared by the Nutraplus India Limited management in accordance with the requirements of Accounting Standards (AS) 21, Consolidated financial statements, Accounting Standards (AS) 23, Accounting for Investment in Associates in Consolidated Financial Statements and Accounting Standard (AS) 27, Financial Reporting of interest in joint Ventures issued by the Institute of Chartered Accountants of India, whichever is applicable;
5. This being the first year of consolidation and as per the Accounting Standards (AS) 21 relating to Consolidated financial statements, the previous year figure is not applicable and required. Accordingly, the Company has not prepared the consolidated cash flow.
6. Based on our audit as aforesaid, and on consideration of reports of the Company including subsidiary to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India



In our opinion and according to the best of information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with accounting principles generally accepted India:

- (i) in so far as it relates to the Balance Sheet of the state of affairs of the Company as at 31st March, 2012; and
- (ii) in so far as it relates to the Profit & Loss account of the "Profit" of the Company for the year ended on that date.

Firm Registration No. 112236W

**FOR AMPAC & ASSOCIATES**  
CHARTERED ACCOUNTANTS

Mumbai  
Dated : 30<sup>th</sup> May, 2012.

**M. J. DESAI**  
**PARTNER**

Membership No. 042769

**BALANCE SHEET AS AT MARCH 31, 2012 (CONSOLIDATED)**

(Amount in Rupees)		
	Note No.	As at 31.03.2012
<b>A. EQUITY AND LIABILITIES</b>		
<b>1. Shareholders funds</b>		
(a) Share capital	1	51,950,000
(b) Reserves and surplus	2	75,853,298
(c) Money received against share warrants		-
		127,803,298
<b>2 Share application money pending allotment</b>		-
<b>3 Non-current liabilities</b>		
(a) Long-term borrowings	3	66,868,845
(b) Deferred tax liabilities (net)	4	14,717,397
(c) Long-term provisions	5	1,735,000
		83,321,242
<b>4 Current liabilities</b>		
(a) Short-term borrowings	6	62,934,292
(b) Trade payables	7	125,096,422
(c) Other current liabilities	8	24,888,168
(d) Short-term provisions	9	11,200,399
		224,119,281
<b>TOTAL</b>		435,243,821
<b>B ASSETS</b>		
<b>1 Non-current assets</b>		
(a) Fixed assets		
(i) Tangible assets	10	193,459,391
(ii) Capital work-in-progress	10	484,867
		193,944,258
(b) Non-current investments	11	16,152,285
		210,096,543
<b>2 Current assets</b>		
(a) Inventories	12	68,204,964
(b) Trade receivables	13	120,595,841
(c) Cash and cash equivalents	14	13,703,652
(d) Short-term loans and advances	15	22,540,574
(e) Other current assets	16	102,247
		225,147,278
<b>TOTAL</b>		435,243,821
<b>See accompanying notes forming part of the financial statements</b>	<b>1 to 28</b>	
As per our report of even date attached		
For and on behalf of the Board		
Mr. Mukesh D. Naik Chairman & Managing Director		
Uday Desai Mukesh Desai Director		
For <b>AMPAC &amp; ASSOCIATES</b> Chartered Accountants <b>M. J. Desai</b> Partner Membership No. 042769 Firm Registration No. 112236W Mumbai Dated : 30 <sup>th</sup> May, 2012.		



**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2012 (CONSOLIDATED)**  
(Amount in Rupees)

Particulars	Note No.	As at 31.03.2012
1. Revenue from operations (gross)	17	481,141,442
Less: Excise duty	17	34,009,557
Revenue from operations (net)		447,131,885
2. Other Income	18	1,698,815
<b>3 Total revenue (1+2)</b>		<b>448,830,700</b>
<b>4 Expenses</b>		
(a) Cost of materials consumed	19	322,436,203
(b) Purchases of stock-in-trade	19	-
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	19	(19,541,241)
(d) Employee benefits expenses	20	17,545,239
(e) Finance costs	21	15,521,587
(f) Depreciation and amortisation expense	10	6,303,861
(g) Other expenses	22	64,188,389
<b>Total expenses</b>		<b>40,645,038</b>
<b>5 Profit/(Loss) before exceptional and extraordinary items and tax (3-4)</b>		<b>42,404,684</b>
6 Exceptional items		-
<b>7 Profit/(Loss) before extraordinary items and tax (5+6)</b>		<b>42,404,684</b>
8 Extraordinary items	23	-
<b>9 Profit/(Loss) before tax (7+8)</b>		<b>42,690,041</b>
<b>10 Tax expense :</b>		
(a) Current tax expense for current year		10,600,000
(b) Current tax expense relating to prior years	-	-
(c) Net current tax expense		10,600,000
(d) Deferred tax		2,371,620
		12,971,620
<b>11 Profit for the year</b>		<b>29,433,064</b>
<b>12.i Earnings per share of face value of Rs. Each</b>		
(a) Basic	24	5.81
(b) Diluted		5.81
<b>12.ii Earnings per share (excluding extraordinary items)</b>		
face value of Rs. Each.	24	
(a) Basic		5.81
(b) Diluted		5.81
<b>See accompanying notes forming part of the financial statements</b>	<b>1 to 28</b>	

As per our report of even date attached

For **AMPAC & ASSOCIATES**  
Chartered Accountants**M. J. Desai**

Partner

Membership No. 42769

Firm Registration No. 112236W

Mumbai

Dated : 30<sup>th</sup> May, 2012.

For and on behalf of the Board

Mr. Mukesh D. Naik  
Chairman & Managing DirectorUday Desai  
Mukesh Desai  
Director



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

## Note 1 Share capital

Particulars	As at 31 March 2012	
	Number of Shares	Rs.
(a) Authorised Equity shares of Rs.10 each	5,500,000	55,000,000
(b) Issued Subscribed and Paid up Equity shares of Rs.10 each fully paid up	5,195,000	51,950,000
<b>Total</b>	<b>5,195,000</b>	<b>51,950,000</b>

**Note:**

- 1.1 In the financial year 2009-10, the Company had issued 320000 (Three Lakh Twenty Thousand) Equity Shares of Rs. 10/= each fully paid, to the promoter's group on preferential basis under Section 81(1A) of the Companies Act' 1956. The said shares are in lock-in-period up to 24th March' 2013.
- 1.2 In the financial year 2009-10, the Company had made preferential issue and allotted 825000 (Eight Lac Twenty Five Thousand) Optionally fully convertible warrant (OFCW) to the promoters group. Each warrant is convertible into 1 (One) fully paid-up Equity shares of the Company of face value Rs. 10/= each at exercisable price of Rs. 10/= each. The said OFCW was converted into equity shares to the promoters group as under:

Sr. No.	Number of warrant	Converted value	Date of Allotment	Lock-in-period
1.	375000	3750000	15/10/2010	up to 15/10/2013
2.	450000	4500000	14/07/2011	up to 14/07/2014

Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	Opening Balance	Fresh issue	Closing Balance
<b>Equity shares</b>			
Year ended 31 March, 2012			
- Number of shares	47,45,000	4,50,000	51,95,000
- Amount (Rs.)	4,74,50,000	45,00,000	5,19,50,000
Year ended 31 March, 2011			
- Number of shares	43,70,000	3,75,000	47,45,000
- Amount (Rs.)	4,37,00,000	37,50,000	4,74,50,000



**Note 2 Reserves and surplus**

Particulars	As at 31 March, 2012 Rs
(a) General reserve	
Opening balance	5,000
Add: Transferred from surplus in Statement of Profit and Loss	-
Less: Utilised / transferred during the year for:	
Closing balance	5,000
(b) Surplus in Statement of Profit and Loss	
Opening balance	4,64,15,234
Add: Profit for the year	2,94,33,064
Closing balance	7,58,48,298
Total	7,58,53,298

**Note 3 Long-term borrowings**

Particulars	As at 31 March, 2012 Rs
(a) Term loans	
(i) From Banks	
Secured	4,75,74,699
	4,75,74,699
(ii) From other parties	
Secured	3,46,681
Unsecured from Non-Banking Financial Companies	86,47,465
	89,94,146
(b) Loans and advances from related parties	
Intercompany Deposit from group concern	
Unsecured	1,03,00,000
	1,03,00,000
<b>Total</b>	<b>6,68,68,845</b>

**Note 3a.**

- (i) Details of terms of repayment for the other long-term borrowings and security provided in respect of the secured other long-term borrowings:

Particulars	Terms of repayment and security*	As at 31 March, 2012	
		Secured Rs.	Unsecured Rs.
<b><u>Term loans from banks:</u></b>			
Saraswat Bank	(refer note 3.a.i)	5,00,76,809	-
<b><u>Total - Term loans from banks</u></b>		5,00,76,809	-
Term loans from other parties:			
NBFC Companies	(refer note 3.a.ii)	-	86,47,465
Volkswagen Finance (Vehicle)		3,46,681	
<b>Total - Term loans from other parties</b>		3,46,681	86,47,465
<b><u>Loans and advances from related parties:</u></b>	(refer note 3.a.iii)		
Gita Naik ICD from			8,00,000
Vet Pharma Nitro Products Limited			95,00,000
<b>Total - Loans and advances from related parties</b>			1,03,00,000

**Note:**

- 3.a.i Term loan is availed from the bank is secured against the equitable mortgage of office premises, factory land , factory building , plant & machinery. It is also secured against the personal guarantee of one director and Corporate guarantee of group concern. The term loan is repayable in 60 instalments @ the rate of 14% per annum interest or PLR of the bank, whichever is higher.
- 3.a.ii Unsecured term loan from five NBFC is availed during the current year and will be repayable in 36 instalments. The said loan is availed for capital projects at the rate of 9.5% to 10.5% flat rate of interest. Vehicle loan is availed for 36 instalments at the rate of 11.64% per annum interest and is secured against hypothecation of vehicle.
- 3.a.iii Loans availed from the above referred related party were taken for the long term working capital requirements. The loan from Gita Naik is interest free and the ICD loan are taken at 12% per annum interest rate, which is not prejudicial to the interest of the Company. The said loans are payable for more than one year period and it is without any specific stipulation.

(ii) Details of long-term borrowings guaranteed by some of the directors or others:

Particulars	As at 31 March, 2012 Rs.
Bonds / debentures	Nil
Term loans from banks	5,00,76,809
Term loans from other parties	Nil
Deferred payment liabilities	Nil
Deposits	Nil
Loans and advances from related parties	Nil
Long-term maturities of finance lease obligations	Nil
Other loans and advances	Nil

(iii) The Company has not defaulted in repayment of loans and interest in respect of any of the secured or unsecured loans referred above.

(iv) For the current maturities of long-term borrowings, refer items (a) in Note 8 Other current liabilities.

#### Note 4 Deferred tax Liabilities

Particulars	As at 31 March, 2012 Rs.
Opening Balance	1,23,45,777
Add: Current Year	23,71,620
Total	1,47,17,397

Note: The details of the deferred tax liabilities and deferred tax assets are given in Note 27.4

#### Note 5 Long-term provisions

Particulars	As at 31 March, 2012 Rs.
(a) Provision for employee benefits: - Provision for gratuity (net) (Refer Note below)	17,35,000
Total	17,35,000

Note: During the year, the gratuities provision have been estimated as per own calculation.

**Note 6 Short-term borrowings**

Particulars	As at 31 March, 2012 Rs.
(a) Loans repayable on demand Secured Working Capital loan from Saraswat Co-op Bank Ltd	6,29,34,292
<b>Total</b>	<b>6,29,34,292</b>

**Notes:**

- (i) Working capital loan is secured by way of hypothecation of stock and debtors. During the year, the company had availed the additional working capital loan from bank for Rs. 250 lacs.
- (ii) Details of short-term borrowings guaranteed by one of the director is as follows:

Particulars	As at 31 March, 2012 Rs.
Loans repayable on demand from banks	6,29,34,292
Loans repayable on demand from other parties	Nil
Loans and advances from related parties	Nil
Deposits	Nil
Other loans and advances	Nil

**Note 6a.**

- (iii) The Company has not defaulted in repayment of loans and interest in respect of the following:

Particulars	As at 31 March, 2012	
	Period of default	Rs.
Loans repayable on demand from banks		
Principal		Nil
Interest		Nil
Loans repayable on demand from other parties		
Principal		Nil
Interest		Nil
Loans and advances from related parties		
Principal		Nil
Interest		Nil
Deposits		
Principal		Nil
Interest		Nil
Other loans and advances		
Principal		Nil
Interest		Nil

**Note 7 Trade payables**

Particulars	As at 31 March, 2012 Rs.
Trade payables:	
Micro, small & medium Enterprises	-
Others	12,50,56,422
<b>Total</b>	<b>12,50,56,422</b>

**Note 8 Other current liabilities**

Particulars	As at 31 March, 2012 Rs.
(a) Current maturities of long-term debt (Refer Note (i) below)	1,91,64,776
(c) Interest accrued but not due on borrowings	7,20,992
(j) Other payables	
(i) Statutory remittances	2,400
(ii) Advances from customers	50,00,000
<b>Total</b>	<b>2,48,88,168</b>

Note (i): Please refer below for details of Current maturities of long-term debt and Refer Notes (i), (ii) and (iii) in Note 3 for Long-term borrowings for details of security and guarantee)

Particulars	As at 31 March, 2012 Rs
Term loans	
(i) From banks	
Secured	1,36,78,000
	1,36,78,000
(ii) From other parties	
Secured (Vehicle loan)	2,45,491
Unsecured (NBFC)	52,41,285
	54,86,776
<b>Total</b>	<b>1,91,64,776</b>

Note (i): Current maturities of long term debts are the debts due within 1 year from the date of balance sheet and the details of Long term maturities with respect to rate of interest, securities and repayment are given in Note 3.a.



**Note 9 Short-term provisions**

<b>Particulars</b>	<b>As at 31 March, 2012 Rs.</b>
(a) Provision for employee benefits:	
Provision for retirement fund	-
Provision for gratuity (net)	-
	-
(b) Provision - Others:	
(i) Provision for tax (net of advance tax & TDS Rs.9567628 as at 31 March, 2012)	88,63,929
(ii) Provision for Excise Duty	18,03,412
(iii) Provision for Dividend	
(iv) Provision for tax on proposed dividends	
(iii) Provision for expenses	5,33,058
<b>Total</b>	<b>1,12,00,399</b>



## NOTE 10 : FIXED ASSETS

A	Tangible assets	Gross Block									
		Balance as at 1 April 2011 Rs.	Additions Rs.	Disposals Rs.	Reclassified as held for sale Rs.	Effect of foreign currency exchange differences Rs.	Borrowing cost capitalised Rs.	Other adjustments Rs.	Balance as at 1 April 2012 Rs.		
(a)	Land Leasehold *	69,24,738	2,29,57,920	-	-	-	-	-	2,98,82,658		
(b)	Buildings Own use	2,04,81,176	1,67,27,718	-	-	-	(18,12,172)	3,53,96,722			
(c)	Plant and Equipment Owned	9,97,57,440	4,19,32,770	-	-	-	-	14,16,90,210			
(d)	Furniture and Fixtures Owned given under Operating lease	19,99,909	64,195	-	-	-	-	20,64,104			
(e)	Vehicles Owned	17,79,228	10,94,982	(3,86,600)	-	-	-	24,87,610			
(f)	Office Equipment Owned	12,43,401	75,506	-	-	-	-	13,18,907			
(g)	Leasehold improvements Owned (Site Development)	8,03,728	6,19,362	-	-	-	-	14,23,090			
(h)	Electrical Installations Owned	55,54,403	16,90,492	-	-	-	-	72,44,895			
(i)	Laboratory equipment Owned	15,46,446	-	-	-	-	-	15,46,446			
(j)	Computers Owned	6,42,214	2,01,699	-	-	-	-	8,43,913			
	Total	14,07,32,683	8,53,64,644	(3,86,600)	-	-	(18,12,172)	22,38,98,555			



**NOTE 10 : FIXED ASSETS**

A	Tangible assets	Accumulated depreciation and impairment						Net Block
		Balance as at 1 April 2011	Depreciation amortisation expense for the year	Eliminated on disposal of assets	Impairment losses recognised in statement of profit and loss	Other adjustments	Balance as at 31 March, 2012	
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
(a)	Land Leasehold *	1,46,627	1,12,480	-	-	-	2,96,23,551	
(b)	Buildings Own use	41,67,118	6,31,215	-	-	(11,61,331)	3,17,59,720	
(c)	Plant and Equipment Owned	1,59,80,229	46,95,077	-	14,81,878	-	11,95,33,026	
(d)	Furniture and Fixtures Owned	6,02,458	1,26,051	-	-	50	13,35,545	
(e)	Vehicles Owned	9,37,557	2,08,523	(3,16,770)	-	-	16,58,300	
(f)	Office Equipment Owned	3,55,341	61,505	-	-	-	9,02,061	
(g)	Leasehold improvements Owned (Site Development)	1,00,162	15,431	-	-	-	13,07,497	
(h)	Electrical Installations Owned	10,48,120	2,65,304	-	-	602	59,30,869	
(i)	Laboratory equipment Owned	4,59,925	73,657	-	-	-	10,12,864	
(j)	Computers Owned	3,33,337	1,14,618	-	-	-	3,95,958	
	Total	2,41,30,874	63,03,861	(3,16,770)	14,81,878	(11,60,679)	19,34,59,391	
B.	CWIP						4,84,867	

**Note:**

- (i) During the year, the Company has demolished the part of the factory building being very old and the effect is given in the other adjustment for reducing the cost of the asset. Accordingly, the depreciation has been reversed.
- (ii) During the year, the Company has estimated the impairment on plant & machinery, which was corrosive in nature and the impairment was debited to profit & loss account.
- (iii) Vehicles are in the personal name of director.
- (iv) Company does not have any intangible assets.
- (v) The addition of fixed assets include the interest capitalised during construction period for Rs. 34,05,249/= (Previous year Rs. 10,05,512/=) for details refer to Note No.27.2 under disclosure of Accounting standards.
- (vi) Other adjustment in accumulated depreciation is on account of rectification, subsequently transfer to CWIP.




**C. Depreciation and amortisation relating to continuing operations:**

Particulars	For the year ended 31 March, 2012 Rs.
Depreciation and amortisation for the year on tangible assets as per Note 9.a	63,03,861.00
Depreciation and amortisation for the year on intangible assets	-
Less: Utilised from revaluation reserve	-
Depreciation and amortisation relating to discontinuing operations	-
Depreciation and amortisation relating to continuing operations	63,03,861.00

Notes:

- (i) There are no amounts written off on reduction of capital or revaluation of assets or sums added to assets on revaluation during the preceding 5 years:
- (ii) Details of assets acquired under hire purchase agreements :

Particulars	Gross Block		Net Block	
	31-Mar-12 Rs.	31-Mar-11 Rs.	31-Mar-12 Rs.	31-Mar-11 Rs.
	Nil	Nil	Nil	Nil

- (iii) Details of assets jointly owned by the Company

Particulars	Extent of ownership	Proportion of the original cost		Accumulated depreciation	Net block
		31-Mar-12 Rs.	31-Mar-11 Rs.		
		Nil	Nil	Nil	Nil



**Note 13 Trade receivables**

Particulars	As at 31 March, 2012 Rs.
(a) Trade receivables outstanding for a period exceeding six months from the date they were due for payment	
Secured, considered good	-
Unsecured, considered good	34,60,934
Doubtful	-
	34,60,934
Less: Provision for doubtful trade receivables	-
	34,60,934
Other Trade receivables	
Secured, considered good	-
Unsecured, considered good	11,71,34,907
Doubtful	-
	11,71,34,907
Less: Provision for doubtful trade receivables	-
	11,71,34,907
Total	12,05,95,841

Note: Trade receivables include debts due from:

Particulars	As at 31 March, 2012 Rs.
Directors	Nil
Other officers of the Company	Nil
Firms in which any director is a partner (give details per firm)	Nil
Private companies in which any director is a director or member (give details per company)	Nil
Total	Nil



**Note 14 Cash and cash equivalents**

Particulars	As at 31 March, 2012 Rs.
(a) Cash on hand	17,53,495
(c) Balances with banks	
(i) In current accounts	18,76,655
(iv) In earmarked accounts - Balances held as margin money or security against borrowings, guarantees and other commitments (Refer Note (i) below)	1,00,73,502
Total	1,37,03,652
Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 Cash Flow Statements	1,37,03,652

Notes:

(i) Balances with banks include deposits held as margin monies amounting to Rs. 1,00,73,502/= (As at 31 March, 2011 Rs. 11255497/=) which have an original maturity of more than 12 months.

**Note 15 Short-term loans and advances**

Particulars	As at 31 March, 2012 Rs.
(a) Security deposits (refer note 1 below)	
Secured, considered good	-
Unsecured, considered good	9,65,494
Doubtful	-
	9,65,494
Less: Provision for doubtful deposits	9,65,494
(c) Loans and advances to employees	
Secured, considered good	-
Unsecured, considered good	20,60,605
Doubtful	-
	20,60,605
Less: Provision for doubtful loans and advances	20,60,605
(d) Prepaid expenses - Unsecured, considered good	46,840
(e) Balances with government authorities	
Unsecured, considered good	
(i) CENVAT credit receivable/refundable	99,18,093
(ii) VAT credit receivable/refundable	81,57,672
	1,80,75,765
(g) Advances to creditors	
Secured, considered good	
Unsecured, considered good	13,91,870
Doubtful	
	13,91,870
Less: Provision for other doubtful loans and advances	13,91,870
Total	2,25,40,574

Note: Short-term loans and advances include amounts due from:

Particulars	As at 31 March, 2012 Rs.
Directors	Nil
Other officers of the Company	Nil
Firms in which any director is a partner (give details per firm)	Nil
Private companies in which any director is a director or member (give details per company)	Nil
	Nil

Note:

1 Security deposit includes balances with public bodies including Government and regular deposit.

**Note: 16 Other current assets**

Particulars	For the Year Ended 31.03.2012 Rs.
<b>Accruals :</b>	
Advance tax	1,02,247
Interest accrued on deposits	-
<b>Total</b>	<b>1,02,247</b>

**Note: 17 Revenue from Operations**

Particulars	For the Year Ended 31.03.2012 Rs.
(a) Sale of products (Refer Note (i) below)	46,45,77,249
(b) Sale of services (Refer Note (ii) below)	1,65,64,193
	48,11,41,442
<u>Less:</u>	
(d) Excise duty	3,40,09,557
<b>Total</b>	<b>44,71,31,885</b>

**Note :**

Particulars	For the Year Ended 31.03.2012 Rs.
(i) Sale of products comprises:	
<u>Manufactured goods</u>	
Active Pharma Ingredients Intermediates (Bulk Drug)	45,33,25,749
Active Pharma Ingredients (Bulk Drug)	1,12,51,500
<b>Total - Sale of manufactured goods</b>	<b>46,45,77,249</b>
<u>Traded goods</u>	
Active Pharma Ingredients Intermediates (Bulk Drug)	-
<b>Total - Sale of traded goods</b>	<b>-</b>
<b>Total - Sale of products</b>	<b>46,45,77,249</b>
(ii) Sale of services comprises:	
Job work for manufacturing of Active Pharma Ingredients	1,65,64,193
<b>Total - Sale of services</b>	<b>1,65,64,193</b>

**Note: 18 Other income**

Particulars	For the Year Ended 31.03.2012 Rs.
(a) Interest income (Refer Note (i) below)	8,99,612
(b) Dividend income:	
from long-term investments	2,000
from current investments	28,022
(c) Net gain on foreign currency transactions and translation (other than considered as finance cost)	7,97,203
(d) Trade payable written off	
<b>Total</b>	<b>17,26,837</b>

Particulars	For the Year Ended 31.03.2012 Rs.
<b>Notes</b>	
(i) Interest income comprises:	
Interest from banks on:	
deposits (held as margin money against Letter of Credit/ Bank Guarantee)	8,99,612
<b>Total - Interest income</b>	<b>8,99,612</b>

**Note: 19.a Cost of materials consumed**

Particulars	For the Year Ended 31.03.2012 Rs.
Opening stock	2,51,17,996
Add: Purchases	32,99,99,432
	35,51,17,428
Less: Closing stock	2,77,71,118
Less: Stock -in-transit	49,10,107
<b>Cost of material consumed</b>	<b>32,24,36,203</b>
Material consumed comprises:	
Liquid Bromine	6,26,73,297
Alkalies	98,91,062
Brominative Compound	3,57,04,868
Toluene	3,36,40,133
Fine Chemicals & Others	18,05,26,843
<b>Total</b>	<b>32,24,36,203</b>



Particulars	For the Year Ended 31.03.2012	
	%age	Rs.
Material Consumed:		
Imported	21.24	6,84,74,367
Indigenous	78.76	25,39,61,836
	100.00	32,24,36,203

**Note: 19.b Purchase of traded goods**

Particulars	For the Year Ended 31.03.2012 Rs.
Active Pharma Ingredients Intermediates (bulk Drug)	-
Total	-

**Note: 19.c Changes in inventories of finished goods, work-in-progress and stock-in-trade**

Particulars	For the Year Ended 31.03.2012 Rs.
<u>Inventories at the end of the year:</u>	
Finished goods	1,57,01,722
Work-in-progress	1,91,75,267
Stock-in-trade	-
	3,48,76,989
<u>Inventories at the beginning of the year:</u>	
Finished goods	13,33,211
Work-in-progress	1,40,02,537
Stock-in-trade	-
	1,53,35,748
<b>Net (increase) / decrease</b>	<b>(1,95,41,241)</b>



**Note: 20 Employee benefits expense**

Particulars	For the Year Ended 31.03.2012 Rs.
(a) Salaries and wages (refer note i)	1,45,07,086
Contributions to provident and other funds (Refer Note ii & iii)	17,35,000
Staff welfare expenses	13,03,153
<b>Total</b>	<b>1,75,45,239</b>

- (i) Salaries and wages include: Salaries, wages, bonus, compensated absences and all other amounts payable to employees in respect of services rendered as per their employment terms under a contract of service / employment.
- (ii) The employee's provident fund Rules are not applicable to the Company, as the Company employs the contracted labour for production and the contractor is deducting the dues as per provident fund rules. The Companies own staff is outside the limit set out by the provident fund Rules.
- (iii) The gratuities is applicable for the first time as previously the number of employees were outside the permissible limit. The said provision is reckoned from the date of joining to year end. Out of the said provision of Rs. 17,35,0000/-, Rs. 16,27,670/= is pertaining to earlier years. However it is not reported under prior period, as it is recognised first time.

**Note: 21 Finance costs**

Particulars	For the Year Ended 31.03.2012 Rs.
(a) Interest expense on:	
(i) Borrowings	1,33,88,766
(ii) Trade payables	-
(iii) Others	
- Interest on delayed / deferred payment of income tax	6,45,000
(b) Other borrowing costs	
- Bank Charges	14,87,821
<b>Total</b>	<b>1,55,21,587</b>

@ Other borrowing costs includes loan processing charges, guarantee charges, incurred in connection with borrowings etc.



**Note: 22 Other Expenses**

Particulars	For the Year Ended 31.03.2012 Rs.
Consumption of stores and spare parts	4,77,270
Consumption of packing materials	31,00,461
Increase / (decrease) of excise duty on inventory	18,03,412
Processing Charges	1,92,58,128
Power and fuel	1,71,12,737
Water *	5,01,643
Rent including lease rentals	3,66,000
Repairs and maintenance - Buildings	4,18,611
Repairs and maintenance - Machinery	37,45,040
Insurance	2,27,795
Rates and taxes	1,11,610
Communication	4,52,799
Travelling and conveyance	5,54,932
Printing and stationery	3,00,371
Freight and forwarding	14,71,541
Sales commission	29,99,371
Sales discount	2,76,589
Business promotion	7,14,264
Donations and contributions	98,501
Legal and professional	19,40,793
Payments to auditors (Refer Note (i) below)	3,24,354
Bad trade and other receivables, loans and advances written off	-
Net loss on foreign currency transactions and translation (other than considered as finance cost)	-
Net loss on sale of current investment	2,96,525
Loss on fixed assets sold / scrapped / written off	6,39,879
Provision for impairment of fixed assets and intangibles (net)	14,81,878
Prior period items (net) (Refer Note (ii) below)	62,984
Miscellaneous expenses	54,50,901
<b>Total</b>	<b>6,41,88,389</b>

**Notes**

Particulars	For the Year Ended 31.03.2012 Rs.
(i) Payments to the auditors comprises (net of service tax input credit, where applicable):	
As auditors - statutory audit	2,66,854
For taxation matters	25,000
For other services	25,000
Reimbursement of expenses	7,500
<b>Total</b>	<b>3,24,354</b>
(ii) Details of Prior period items (net)	
Prior period expenses	62,984
(Revenue expenditure of previous year)	-
Prior period income	-
<b>Total</b>	<b>62,984</b>

**Note: 23 Extraordinary Items**

Particulars	For the Year Ended 31.03.2012 Rs.
Earlier year B.S.T./C.S.T. Paid	-
<b>Total</b>	<b>-</b>

**Note: 24 Disclosures under Accounting Standards**

Particulars	For the Year Ended 31.03.2012 Rs.
<b>Earnings per share</b>	
Net profit for the year	2,94,33,064
Weighted average number of equity shares Outstanding (Nos.)	50,63,750
Weighted average number of equity shares Outstanding - Dilutive (Nos.)	50,63,750
Par value per share	10
Earnings per share Basic	5.81
Earnings per share Diluted	5.81
<b>Earnings per share (excluding extraordinary items)</b>	
Net profit for the year	2,94,33,064
Weighted average number of equity shares Outstanding (Nos.)	50,63,750
Weighted average number of equity shares Outstanding - Dilutive (Nos.)	50,63,750
Par value per share	10
Earnings per share Basic	5.81
Earnings per share Diluted	5.81

Note: since the Company has acquired 100% subsidiary, there are no minority shareholders



Note	Particulars
<b>25 Corporate information</b>	<p>The Company is presently manufacturing bulk drug products and their intermediates, human Active Pharma ingredients (API) products. In the current year, the Company has achieved the manufacturing sale of Rs. 46,45,77,249/= and by way of job process activities of manufacturing various API of reputed Companies for Rs. 1,65,74,868/=. The manufacturing facilities are located at MIDC, Tarapur, District, Thane and all other activities are carried on from the Registered office located at Mumbai.</p>
<b>26 Principles of consolidation</b>	<p>(A) The consolidated financial statements relate to Nutraplus India Limited ('the Company') and its subsidiary company. The consolidated financial statements have been prepared on the following basis:</p> <ol style="list-style-type: none"><li>The financial statements of the Company and its subsidiary companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions in accordance with Accounting Standard (AS) 21 - "Consolidated Financial Statements"</li><li>The difference between the cost of investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognised in the financial statements as Goodwill or Capital Reserve as the case may be.</li><li>The difference between the proceeds from disposal of investment in subsidiaries and the carrying amount of its assets less liabilities as of the date of disposal is recognised in the consolidated Profit and Loss account being the profit or loss on disposal of investment in subsidiary.</li><li>Minority Interest's share of net profit of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.</li><li>Minority Interest's share of net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Company's shareholders.</li><li>As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.</li></ol> <p>B. Other significant accounting policies</p> <p>These are set out under "Significant Accounting Policies" as given in the Company's separate financial statements.</p>


**Note 27 Disclosures under Accounting Standards**
**Note Particulars**
**27.1 Employee benefit:**

- i. Gratuities liabilities are worked out as per own estimates. This being the first year, the Company is in process of complying the gratuities Act. The actuary valuer will be appointed and accordingly Company will fund the defined contribution plan. Since the Company has 13 employees, the amount is not material.
- ii. The provident fund Rules are not applicable to the Company, as the Company employs the contracted labour for production and the contractor is deducting the dues as per provident fund rules. The Companies own staff is outside the limit set out by the Provident fund Rules.
- iii. The employee state insurance scheme does not apply to the employee's of the Company during the year.

**27.2 Disclosures under Accounting Standards (contd.)**

Particulars	For the Year Ended 31.03.2012 Rs.
<b>Details of borrowing costs capitalised</b>	
Borrowing costs capitalised during the year	
- as fixed assets/ capital	
work-in-progress	3405249
	3405249

**Note:**

During the year the Company has availed the fresh term loan from bank and NBFC for financing the capital projects. The interest during construction period are capitalised during the year includes, building Rs. 50,535/=, for plant & machinery Rs. 29,39,728/= and processing charges to plant & machinery for Rs. 4,14,986/=. The said interest was initially capitalised to capital work in progress, subsequently, the transferred to particular asset on the date of commission or put to use.



**Note: 27.3 Related party transactions**

**27.3a Details of related parties :**

<b>Description of relationship</b>	<b>Names of related parties</b>
Key Management Personnel (KMP)	Mukesh Naik, Uday Desai & Dilip Pimple
Relatives of KMP	Gita Naik, Nirmala Naik
Company in which KMP / Relatives of KMP can exercise significant influence	Vet-Pharma Nitro Products Limited, Uday Chemical Engg. & projects Ltd

Note: Related parties have been identified by the Management.



**Details of related party transactions during the year ended 31 March, 2012 and balances outstanding as at 31 March, 2012:**

27.3b	Company in which KMP/ Relatives of KMP can exercise significant influence	KMP	Relatives of KMP	Total
Material Purchases	(2,19,12,450)	-	-	(2,19,12,450)
Receiving of services - Job Processing, rent paid & supply of labour	2,86,11,721	3,66,000	96,000	2,90,73,721
	(1,79,54,017)	(3,60,000)	(96,000)	(1,84,10,017)
Borrowings - ICD & unsecured	95,00,000		8,00,000	1,03,00,000
	(1,37,50,000)		(8,00,000)	(1,45,50,000)
Interest on Borrowings ICD	16,50,328	-	-	16,50,328
	(17,05,729)	-	-	(17,05,729)
Guarantees and collaterals	-	refer note below	-	-
Director Remuneration	-	35,03,000	-	35,03,000
	-	(34,75,000)	-	(34,75,000)
Advances received for Job work/others	-	50,00,000	-	53,73,152
	-	(50,00,000)	-	(50,00,000)
Issue of Equity	-	41,60,000	3,40,000	45,00,000
	-	(34,80,000)	(2,70,000)	(37,50,000)
<u>Balances outstanding at the end of the year</u>				
Advances	-	50,00,000	-	50,00,000
Trade payables	74,76,952	-	-	74,76,952
	(35,65,056)	-	-	(35,65,056)
Borrowings	95,00,000	-	8,00,000	1,03,00,000
	(1,37,50,000)	-	-	(1,37,50,000)

Note: Figures in bracket relates to the previous year

Corporate Guarantee is given by Vet-Pharma Nitro Products to Bank against the term loan and working capital utilised by the bank, in addition to the personal guarantee by the Managing Director.

**Note: 27.4 Disclosures under Accounting Standards**

Particulars	For the Year Ended 31.03.2012 Rs.
Deferred tax (liability) / asset	(1,23,45,777)
<u>Tax effect of items constituting deferred tax liability</u>	
On difference between book balance and tax balance of fixed assets	30,48,735
Tax effect of items constituting deferred tax liability	30,48,735
<u>Tax effect of items constituting deferred tax assets</u>	
Provision for gratuity	5,62,921
Prepaid expenses	8,134
Tax effect of items constituting deferred tax assets	5,71,055
Net deferred tax (liability) / asset	(1,48,23,458)

Note: The Company has recognised deferred tax liability on the difference between the book balance and the written down value of fixed assets under Income Tax.

**Note: 28 Additional information to the financial statements**

Particulars	For the Year Ended 31.03.2012 Rs.
28.1 Contingent liabilities and commitments (to the extent not provided for)	
(i) Contingent liabilities	
(a) Bank Guarantees	25,000
(b) Letter of credit outstanding	2,64,28,691
(c) Pending claim from Commissioner of Workmen Compensation (refer note below)	2,14,000
	<b>As at 31 March, 2012</b>
	Rs.
(ii) Commitments	
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for Tangible assets	14,50,000 14,50,000

Note: The pending claim from Commissioner of Workmen may levy penalty, which is not certain.



**28.2 Details of unutilised amounts out of issue of securities made for specific purpose**

In the current year, pending number of share warrant has been converted into equity share. It was utilised for the expansion projects and there are no unutilised amount pending against the proceeds of the said share warrant.

**28.3 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006**

Amounts dues to Micro and Small Enterprises are not available. However, no amount is paid as interest for the late payments, which are exceeding for Rs. 1,00,000/= & overdue.

**28.4 Disclosure as per Clause 32 of the Listing Agreements with the Stock Exchanges**

There are no loans and advances in the nature of loans given to subsidiaries, associates and others and investment in shares of the Company by such parties.

**28.5 Disclosure required in terms of Clause 13.5A of Chapter XIII on Guidelines for preferential issues, SEBI (Disclosure and Investor Protection) Guidelines, 2000**

Particulars	During the year ended 31st March, 2012 Rs.
Total amount received from issue of warrants	37,50,000
Purpose for which the money received has been utilized :	
a. Capital expenditure	37,50,000
b. Working capital	37,50,000
Unutilised monies as at 31 March, 2012	-

**28.6 Value of Imports calculated on CIF Basis.**

Particulars	For the Year Ended 31.03.2012 Rs.
(a) Raw materials	3,16,45,268
Components	-
Spare parts	-
Total Components and spare parts	-
Capital goods	-



28.7 Expenditure in foregin currency # :		For the Year Ended 31.03.2012	
		<b>Rs.</b>	
	Royalty		-
	Know-how		-
	Professional and consultation fees		-
	Interest		-
	Other matters		-
28.8	Details of consumption of imported and indigenous items	For the year ended 31 March, 2012	
		Rs.	%
	<u>Imported</u>		
	Raw materials	68474367 (22324353)	21.24 (10.76)
	<b>Total</b>	68474367 (22324353)	21.24 <b>(10.76)</b>
	<u>Indigenous</u>		%
	Raw materials	253961836 (185173169)	78.76 (89.24)
	<b>Total</b>	253961836 (185173169)	78.76 (89.24)
Note: Figures / percentages in brackets relates to the previous year			
28.9 Earnings in foregin exchange		For the Year Ended 31.03.2012	
		<b>Rs.</b>	
	Export of goods calculated on FOB basis		7,77,292
	Royalty, know-how, professional and consultation fees		-
	Interest and dividend		-
	Other income, indicating the nature thereof.		-

- 28.10 The debit and credit balances in the accounts of contractors, suppliers and debtors are subject to confirmation and reconciliation.
- 28.11 In the opinion of the Board and to the best of their knowledge and belief, the value of realisation of current assets, loans & advances, in the ordinary course of business would not be less than amount at which they are stated in the Balance sheet
- 28.12 The Company operates only in one segment viz, Bulk drugs and their intermediate products, hence there are no other reportable segments as per the Accounting Standard 17.
- 28.13 The Revised Schedule VI has become effective from 1 April, 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.


**28.14 Financial Information of Subsidiary Company (Currency in Rs., being Indian Country):**

Name of The Company	Capital	Reserve	Total Asset	Total Liabilities	Total Income	Profit before tax	Tax	Profit(loss) after tax
Dynamic Metal P. Ltd	10,00,000	5,80,158	16,54,732	16,54,732	7,78,776	(-) 16009	19595	(35,604)

(for further details refer to note 28.15 below)

28.15 During the year, the Nutraplus India Limited, holding Company has acquired the 100% subsidiary viz. Dynamic metal Powders Private Limited. The investment date is 1st October' 2011. The Holding has acquired the total equity of subsidiary for Rs. 1,80,00,000/= which is 10,000 equity shares of Rs. 100 each at premium for Rs.1700/= per share. This being the first year of the Company for Consolidation, no previous year figures reporting is applicable. Similarly, this being the first year of consolidation, cash flow statement is not presented, as comparative figures are not there. Since the subsidiary Company is having same line of activities and major heads are related with construction activities, it is recommended to review the cash flow statements of standalone operations.

As per our report of even date attached

For **AMPAC & ASSOCIATES**  
Chartered Accountants

**M. J. Desai**  
Partner  
Membership No. 42769  
Firm Registration No. 112236W

Mumbai  
Dated : 30<sup>th</sup> May, 2012.

For and on behalf of the Board

Mr. Mukesh D. Naik  
Chairman & Managing Director

Uday Desai  
Mukesh Desai  
Director



STATEMENT PURSUANT TO EXEMPTION RECEIVED UNDER SECTION 212(8) OF THE  
COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANIES

(Rs. In Lacs)

Particulars	Dynamic Metal Powders Pvt. Ltd. Year ended March 31, 2012
Share Capital	10.00
Reserve & Surplus	5.80
Non-current liabilities	0.00
Current liabilities	0.75
<b>Total Equity and Liabilities</b>	<b>16.55</b>
Fixed assets	8.49
Non-current investments	0.00
Current assets	8.06
<b>Total assets</b>	<b>16.55</b>
Turnover/other income	7.79
Profit Before Tax	-0.16
Provision for Tax	0.19
Proposed Dividend	0.00



**NUTRAPLUS PRODUCTS (INDIA) LIMITED**  
**REGISTERED OFFICE: 7-A VAKIL VILLA, H.F.SOCIETY ROAD END,**  
**JOGESHWARI (EAST), MUMBAI 400 060.**

I / We \_\_\_\_\_  
Of \_\_\_\_\_being a Member/Members of NUTRAPLUS PRODUCTS  
(INDIA) LIMITED hereby appoint Shri \_\_\_\_\_  
of \_\_\_\_\_ Or failing him Shri \_\_\_\_\_  
of \_\_\_\_\_as my/our proxy in my/our absence to attend and vote for  
me/us, and on my/our behalf, at the Twenty Second Annual General Meeting of the Company, to  
be held on September 29, 2012 and at any adjournment thereof.  
AS WITNESS my/our hand/hands this \_\_\_\_\_ day of \_\_\_\_\_ 2012.

Regd. Foilo No.:

No. Of Shares Hold:

Affix  
Re 1/-  
Revenue  
Stamp  
Signed by the said

- Notes: (1) The proxy needs not be a member.  
(2) The proxy duly executed should reach the Registered Office of the Company at least  
48 hours before the Meeting.

**NUTRAPLUS PRODUCTS (INDIA) LIMITED**  
**REGISTERED OFFICE: 7-A VAKIL VILLA, H.F.SOCIETY ROAD END,**  
**JOGESHWARI (EAST) MUMBAI 400 060.**

**ATTENDANCE SLIP**

I certify that I am registered Shareholder/ Proxy for the registered Shareholder of the company.

I hereby record my presence at the 22<sup>nd</sup> Annual General Meeting of the Company at 11.00 a.m.on  
September 29, 2012 at: 7-A VAKIL VILLA, H.F.SOCIETY ROAD END, JOGESHWARI (EAST)  
MUMBAI 400 060.

Member's/Proxy's name in Block Letters  
Regd. Folio No.

Member's / Proxy's Signature



Book-post

*If Undelivered Please return to :*

**NUTRAPLUS PRODUCTS (INDIA) LIMITED**

7-A, Vakil Villa, H.F. Society Road End,  
Jogeshwari (East), Mumbai - 400 060.



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22ND ANNUAL REPORT

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2011-2012

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NUTRAPLUS INDIA LIMITED  
**[FORMERLY KNOWN AS  
NUTRAPLUS PRODUCTS (INDIA) LIMITED]**